IN RE THE MEETING OF THE)
BAY-DELTA ADVISORY COUNCIL)
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ORIGINAL

TRANSCRIPT OF PROCEEDINGS

Burbank Hilton Hotel

2500 Hollywood Way

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REPORTED BY: TIMOTHY SCOTT, CSR NO. 8517

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ROBERTA BORGONOVO, League of Women Voters of California
DON BRANSFORD, Glenn-Colusa Irrigation District
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HOWARD FRICK, Friant Water Authority/Arvin Edison Water Supply District
TOM GRAFF, Environmental Defense Fund
DAVID GUY, California Farm Bureau Federation
STEVE HALL, Association of California Water Agencies
ERIC HASSELTINE, Contra Costa Council
ALEX HILDEBRAND, South Delta Water Agency

COUNCIL MEMBERS: (cont'd)

RICHARD IZMIRIAN, California Sportfishing Protection Alliance

ROSEMARY KAMEI, Santa Clara Valley Water District

LELAND LEHMAN, California Waterfowl Association

TOM MADDOCK, California Chamber of Commerce

PAT McCARTY, Delta Protection Commission

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ROBERT MEACHER, Regional Council of Rural Counties

ANN NOTTHOFF, Natural Resources Defense Council

PIETRO PARRAVANO, Pacific Coast Federation of Fishermen's Association

STUART PYLE, Kern County Water Agency

BOB RAAB, Save San Francisco Bay Association

JUDITH REDMOND, Community Alliance with Family Farmers

RAY REMY, Los Angeles Area Chamber of Commerce

MARCIA SABLAN, City of Firebaugh

COUNCIL MEMBERS: (cont'd)

MARY SELKIRK, East Bay Municipal Utility District

MIKE STEARNS, San Luis Delta Mendota Water Authority

ROGER STRELOW, Beveridge and Diamond

ROGER THOMAS, Golden Gate fishermen's Association

MICHAEL MANTELL, Designated State Official, The Resources Agency

ROGER PATTERSON, Designated Federal Official, Bureau of Reclamation

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(All parties present, the following proceedings were had at 9:50 a.m.:)

CHAIRMAN MADIGAN: Good morning. It's 9:45. So it's a little bit past our 9:30 start time, but there were obviously a couple of planes that were running late. I was concerned at first that Southern California was a little harder to find than I had initially thought it would be. And then I concluded that what really happened is that a number of you got off the airplane and it was raining and you thought this can't be Southern California and you got back on and went someplace else. But most of you have seemed to have slogged through the delays at the airports due to weather and gotten here, and I certainly appreciate that.

This is the Thursday, November 21st, 1996 meeting of the Bay-Delta Advisory Council, and we are underway.

In terms of introductions let me say only one, and that is about 2:30 this afternoon we expect John Garamendi, Deputy Secretary Department of the Interior to be by. He would like to make some remarks to the BDAC and obviously we would be more than pleased to accommodate him.

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At such time as he arrives, we will do that, and he has a busy schedule. What I will do after he has finished his remarks and we've had a chance for some questions, we'll take a break because I know a number of you would like to do a little sucking up before he gets on to his next appointment. So we will try to accommodate that.

Lunch, as usual, will be served to the members of the BDAC, and there is a setup, I guess, in the back of this room, Lester? Is where we're going to do that; is that right? Somebody help me here. Sharon, where is lunch? Back in the back. Okay. Back in the back is where the lunch will be for members of the BDAC. Obviously there are eateries here in the hotel and in the general vicinity for members of the general public. We will try to break somewhere around noon or shortly thereafter.

For those of you who are here from the public, let me make a couple of comments.

After each agenda item where the BDAC gets into discussion on a matter of policy around here, we will take public comment. Your comment is encouraged. We look forward to hearing it. It would be very helpful if you would fill out a card

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available at the registration table so that we have your name spelled correctly. And we will be happy to recognize you at the conclusion of that item.

There will also be today two public comment periods because I understand that some of you in the audience who may wish to make comment in general on those items not otherwise scheduled for the BDAC deliberations today, that you may not be able to stay all day. So we will have a public comment period just before lunch, as well as one at the end of the meeting, which we would presume to be around 3:00 or 3:30 this afternoon.

The next BDAC meeting is scheduled for Thursday, January 30th in Sacramento. And as we speak, it's my understanding that Lester's staff is attempting to come up -- no? It's my understanding that at least ten minutes out of date Lester's staff already has come to grips with a couple of dates for the spring. I will report them to you here and they we will follow-up with the appropriate notice.

March 12th, and that will be where? Both in Sacramento. March 12th and April 10. Okay. Both in Sacramento.

As always, to members of the BDAC, your comments on any of these issues in writing is most

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helpful and that continues to be encouraged. Some of you may have expected that an update on storage and conveyance would be on this agenda today. The agenda seemed to be full enough without it and that item will be back before us in January.

Several of you at either during or at the conclusion of the last meeting or in at least one instance in writing subsequent to the meeting expressed some concerns in regards to how we proceed at the BDAC, particularly because of the fact that we are entering into the formal EIS/EIR process at this point.

I would like to go through with you my understanding of the guidelines for these meetings, my understanding of what consensus is, how we arrive at it, and then open it up for discussion by members of the operation here.

In some sort of order, I guess, these are those thoughts. Number one: You are all here as representatives, not only of yourself, but of constituencies, and given the fact you are all very busy, it is obviously important that your constituency be represented here in the person of you at all times where that is at all possible because we need the feedback from you and from your

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constituencies on each of these items.

Structure of the agenda: We have a couple of kinds of items on the agenda. We have items where there is discussion and review and concurrence. And that drags with it the question of consensus. And then we simply have informational items or status reports of some sort or other.

The agenda attempts to arrange itself into those orders so that you will know which of those items we're dealing with. If you have changes to the agenda, the earlier that you can tell us about that, the better. Letting us know in advance of the meeting in sufficient time to make that correction and in public notice is obviously by far the best alternative.

Certainly you are encouraged, each of you, to share with the staff any information which you think ought to be made available to the BDAC or to the CALFED process and to the extent that you can get it in advance of meetings, that kind of information can be sent out to members of the BDAC when that item comes before us. And you are encouraged to share that kind of information.

Everybody here because of the enormous amount of experience that each of you has in water

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and because of the fact that the constituencies that you represent have long-standing positions on a lot of the issues that come up around here, have an interest base in this whole thing.

Most of us around here understand at least in general terms what that interest base is. It is, therefore, less helpful to the deliberation to repeat the interest base than it is to try to identify the ideas that it will take to not only address the issue, but to work towards some kind of collaborative process and some sort, ultimately, of consensus.

There were some concerns expressed last time about sticking to the notion of calling people in order. It is my intention and Sonny's intention to call you in the order in which we see you. That may or may not coincide with the exact instant which you indicated the desire to speak, but we will do our best to take you sequentially.

I would ask your indulgence, I guess, to continue on occasion the practice of going back to someone out of order if that person has raised the specific point because I don't want to get back to them eight people later and say, "You idiot, eight remarks ago this is what I really meant."

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I will try not to abuse that discretion and I will try to keep the comments flowing in the order in which you indicate your desire to participate. But there will be times when it is helpful to resolve a point that one of you has bought up or one or more of you has bought up, and I would like to continue with that discretion.

The question came up last time about motions. I am not personally a fan of making motions around here and having votes. I don't think that it's helpful to the process. What I would rather do is take positions and try to move toward consensus on those things, and I think that voting in that fashion, therefore, is not helpful to our arriving at consensus. And I would like to avoid them.

Let me offer you a definition of consensus, then, and see how it works with each of you.

Having said that, where did I go? Here it is.

The manner in which BDAC operates is to move toward a sense of broad agreement on the elements of the CALFED Bay-Delta solution. BDAC members commit to working toward consensus in its deliberations. Consensus does not mean that there

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are no differences of opinion.

For purposes of this effort, consensus refers to the highest level of agreement that can be reached without dividing the parties into factions. The result is that everyone in the group supports, agrees to or at least can live with a particular decision.

As a part of this goal of building consensus, BDAC members are asked to clearly identify areas of agreement and to work hard to narrow areas of disagreement. Where possible, the source of a disagreement should be clearly articulated so that steps can be taken to close those gaps.

Thus, while BDAC members cannot be compelled to agree on every single point, they are asked to commit to narrow the areas of disagreement through fact-finding and deliberation.

In cases where there is a strong divergence of views, BDAC members are encouraged to state clearly how a proposed staff approach or policy recommendation might be amended to gain his or her support. Then, and in rare cases, after BDAC has extensively deliberated on a point, minority reports may be the only recourse to capture the concerns of a particular member.

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If that definition works, it then becomes incumbent on all of those various means of reporting back to CALFED directly because that is, in fact, who we report to immediately, and to all of those other constituencies to whom we report indirectly, both your own and constituencies like the Secretary of Interior's office or the Governor's office or the state legislature or whomever else that each of us has an obligation to report back not just consensus, but, in fact, the views of the people in constituencies who make up this group.

And it is important, then, in terms of minutes and things like that, that we not fluff over disagreements and if you feel that either minutes or the reports don't accurately reflect what was agreed to, we need to go back and do it right so that we are as honest a reporter as we can possibly be.

There will be occasions when at a CALFED meeting or something like that, it might be necessary to report a minority view. That's okay. We should do our absolute best to try to find consensus around that somewhere, to work toward a common objective to find something that everybody can live with. But if somebody at the end of the day, some constituency cannot agree, then that's a part of the information

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that the CALFED people need. That's a part of the information that the state legislature needs or that the Secretary of the Interior needs. We should simply give it our absolute best to try not to get to that point.

In terms of the results, therefore, of our deliberations, whether they are in written documents or whether there is some sort of verbally agreed to sense of the group around here that Lester states or that Sonny or I state, we will take those results back through these various meeting summaries and attempt to, through your advice, then leverage or influence the CALFED process, which after all, is the end result of what we're doing.

Let me ask at this point if there are questions by members of the BDAC on this. Alex, and then Pietro and then Mary.

COUNCIL MEMBER HILDEBRAND: I have no basic disagreement with what you just said. I think a complication that arises is that, for example, you come before us with a proposal for our ecosystem benefit and it's clearly desirable and we all see it, that's great. But we don't make the distinction that whether it can actually be part of a final plan depends on the application of solution principals and

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not only on each component, but on accumulative effect of the components.

And it's perhaps inevitable at least early in the game that we look at these things in separate areas of interest and forget the fact that the plan can't say definitely that some particular component is going to be included until you make that examination.

And so I think we need to keep that in mind. And with that qualification, I have no real problem with you.

My emotion last time was sort of to get attention on something as I have trouble to get anybody to think about. It wasn't done happy, it was tabled, but I think it did get a little tension.

CHAIRMAN MADIGAN: Okay. Then, yeah. All right. You certainly achieved that objective. I don't disagree for a second with what you said. It is important that all of us I think try to keep that larger picture in mind as we deal with each of the policy pieces that goes into that larger picture. And I agree.

Who else did I say? Pietro is next.

COUNCIL MEMBER PARRAVANO: Thank you. I would like to ask for a clarification

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on the first item that you addressed, and that was the representation and participation by BDAC members.

We were told that at the onset of the BDAC that there can be no substitution for BDAC members to attend the meetings. And yet, at our last meeting there was a substitution made by one of the agencies. Now, has the policy changed as far as substitutions go?

CHAIRMAN MADIGAN: There are no substitutions. I think the one you're referring to is the status of the state and federal representative on BDAC, and there's an appointed federal liaison that must be present every single time BDAC meets. That can be appointed by the secretary at any point.

So Roger is the official federal liaison to BDAC, but if he's out of town, then the secretary must appoint someone else to fill that federal position. Beyond that, there are no alternates, and I believe that's actually in the charter, is that correct, Mary?

Yeah, okay. Was that the individual you were talking to Wayne Wright last time --

COUNCIL MEMBER PARRAVANO: Yeah.

CHAIRMAN MADIGAN: -- representing in Roger's absence? Okay. I didn't get it at first.

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Thank you.
Mary?
COUNCIL MEMBER SELKIRK: Thank you.
I want to say I agree wholeheartedly with Alex's comment. I support you. I am very glad that we're addressing this this morning. I think that we will increasingly have to revisit an understanding of what consensus constitutes. As Alex pointed out, we're going to be compelled to address even in a much more complex manner the linkages between all the aspects of the tentative program proposal.
So it's going to require also I think either from you, Lester, someone who's carrying the meetings to help us remember and notice and clarify in a very crisp way where the sense of the group is in agreement or not.
Because sometimes I leave these meetings and I actually can't remember exactly what we supposedly agreed to or didn't. And, you know, maybe I have early Alzheimer's, but I also think it's somewhat we're being a little loosie-goosie here.
I think as this process progresses and the stakes start to feel higher, that it's going to be really important that everyone has a very clear

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understanding of what they are supposedly buying into or not buying into.
And my second point I wanted to make is that in regard to that I think by the same token, that the effectiveness with which we as a group are able to address these issues, I think will be helped if the work groups also have a clear idea about how exactly they can be of most help to the CALFED process, to the staff.
I know we are going to be having reports from the work groups in the afternoon and I hope we'll take some time to think through together how to bolster those processes so they are most helpful.
CHAIRMAN MADIGAN: Okay. Your points are goods ones. And I would want to make sure that we all leave these meetings with a sense of what it is that we just did. And to the extent that we don't do that, we have not fulfilled our purpose very well. So all of us up here will try to make sure that it is as clear as we can make it, and if that's not clear, then you say, "I'm sorry. That's still not clear to me," and we'll do it again.
Ann?
COUNCIL MEMBER NOTTHOFF: I think it's important, just as important as it is to acknowledge

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where there's agreements and we can move on or at least we can live with something and we can move on. I think it's equally as important, as you pointed out, to acknowledge where there are disagreements.
So I think that it is while there's an admonition in here to try to not repeat interest-based positions, I think that it is important to note for the record that there is not agreement on something or that you have a problem with a statement just so that there is a written record of that.
CHAIRMAN MADIGAN: Right. You're absolutely right. I know there will be an occasion or two that will happen. It is simply that all of us must give our absolute best effort to finding that consensus, to finding all those areas that we can at least live with or identify those things that it would take for us to be able to live with.
COUNCIL MEMBER NOTTHOFF: Right. I have a general sense that we had a little bit of problem of having silence read as consent. And I think it's important that we not allow that --
CHAIRMAN MADIGAN: Silence is always read as consent.
Thank you.

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Yes, Roberta and then Eric.
COUNCIL MEMBER BORGONOVO: I like the idea that at the end of the session, the co-chairs are trying to summarize where they think there are areas of agreement.
When you go back and you look at minutes and comments, those comments don't always give you the sense of the group. And I think, again, that summary of the sense of the group and, again, as Ann said, people have a chance to say, "Yes, that is what I heard was the sense of the group" or "these are the areas of disagreement" would be a help.
CHAIRMAN MADIGAN: Okay. All right. Eric? Eric was going to say the same thing.
Bob?
COUNCIL MEMBER RAAB: Mike, I'm assuming that you are drawing on experience in formulating this method. And --
CHAIRMAN MADIGAN: Or alternatively, I'm just sort of making it up as I go. Those are the options, sure enough.
COUNCIL MEMBER RAAB: It just so happens that what you're formulating was pretty much the way one group in the Bay area went about establishing policies that are really similar on a smaller scale

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than what's going on here.

But another group headed by Sonny McPeek called the Committee For Water Policy Consensus, there are several people here on that. Alex, you were on that. And correct me if I am wrong, I think they spent a year deciding just how they were going to arrive at consensus. And finally, correct me, again, if I'm wrong, didn't we agree it was either 67 percent or 75 percent voting up or down on a bundle of thirty-three issues arrived at a policy?

Do you remember that? Is that pretty close?

COUNCIL MEMBER HILDEBRAND: Something like that.

COUNCIL MEMBER RAAB: We actually established a numerical number for consensus, and then every one of those thirty-three actions that constituted a policy were voted up or down.

CHAIRMAN MADIGAN: Okay. Let me try to speak to that just for a second.

If we were the end in this process, there would be a point in establishing a numerical kind of definition of consensus. We are not the end in this, we are advisory to a lot of other people. And somebody might look, and you can pick any name

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you want, as consensus around here as being eighteen to thirteen, and somebody else might look at it as being twenty-six to seven, and somebody else might look at it as being thirty-two to one, and somebody might view it that if everybody didn't agree and there was even one person disagreeing, we hadn't reached it.

And it doesn't hardly matter what we define consensus as around here in terms of that because consensus will be in the eye of the beholder.

And one of the things that concerns me about trying to be too careful about defining consensus is that it empowers those people who are more clever at the politics of votes and less on the actual issue involved.

I don't want the cleverest person here to say, "Let's see. I'm the one if I play this just right, I'm the one that define 75 percent or 67 percent."

I want this whole group to be giving it's absolute best effort toward achieving unanimity on an issue. And that's why I'm trying to avoid the notion of votes and absolute definitions of what we define consensus to be, one, because it isn't important what we think consensus is, and two,

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because I think it detracts from the issues.

Okay. Roger?

COUNCIL MEMBER STRELOW: I think consistent with that your point that people farther up the line have to make decisions here. And I think, frankly, to them where there is really a disagreement, it will be more important to them to know who disagrees and kind of how broad that disagreement is, and whether it's one person or party or whether it's ten in a particular case is pretty irrelevant compared to who it might be and how they can get them on board.

CHAIRMAN MADIGAN: If we tell them, as well, why the disagreement exists, for example, the disagreement is around money, and the Feds being flush as they usually are, can solve that money problem, then we have -- Roger, did you want to say anything at this point?

COUNCIL MEMBER DUNNING: I just wanted to put some money out on the table. No, I was going to agree with what Roger said. I think as one of the members of CALFED, the real value is in the discussion, and I think it is important to know that if there is consensus for that general point to be arrived at here so people know that that's where we

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are, but if, in fact, we are not to have those other views flushed out and know why they are held, that's what's important and we need to capture that through the comments and the minutes and how we convey to CALFED those various views.

CHAIRMAN MADIGAN: Thank you. We will then attempt to provide you all with feedback immediately on those policy issues that we have discussed. And while it may get refined with better grammar or something like that at the end, it shouldn't be refined in terms of the policy that we have concluded or recommended or urged. And we will try to make a point of doing that as we go.

Hap?

COUNCIL MEMBER DUNNING: Mike, is the assumption where there is not consensus on some things, it's never heard of again?

CHAIRMAN MADIGAN: No.

COUNCIL MEMBER DUNNING: Staff simply puts it to the side?

CHAIRMAN MADIGAN: No. No. And there are a number of reasons for that. One of them is, for example, we are only viewing pieces of the elephant right now. And perhaps as other pieces of the elephant are known, something that didn't make

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sense or didn't seem to fit early on, fits later.
So the notion that we're kind of in this building block kind of program and that there will always be in this group opportunity to say, "I'm not sure how that piece fits into the elephant. Can I go back and ask that question that I previously asked so I can see? Because I voted no on that thing last time in my mind. Can I go back and see if it fits better now? Because now I understand what this other piece of the equation is."
COUNCIL MEMBER DUNNING: If I can follow-up on that. I'm surprised because there's this very interesting memo in the meeting packet on outcome of BDAC deliberations on several topics, including water usage efficiency.
And with regard to one item on the fourth page, it says, "With regard to land retirement, will be examined in the program as a water quality action, but will not be considered as a water use efficiency measure," which gave me the idea well, it's gone forever, not to be studied, not to be examined, and yet, you're saying not so.
CHAIRMAN MADIGAN: If there is an interest around here in revisiting the question, the question gets revisited. It is my assumption that we

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reached a conclusion on that when we had a consensus on that question. But we're not adopting ordinances around here.
COUNCIL MEMBER DUNNING: My impression was a little different, that there was not consensus to do it, but that many people are interested.
CHAIRMAN MADIGAN: Well, I mean, if in fact, any of these items in your view reflects less than consensus, we have not done our job properly earlier because we haven't given CALFED our best advice.
Let me wander on here for a second. I don't see any other hands in the air, for a second.
You are all very public people, and as such, all of you are called on with some regularity to speak to the issue of water policy in California, and certainly are entitled to do so. I would hope that as you do it, that you report those things where we have reached consensus as BDAC. You're certainly entitled to report that as having reached consensus at BDAC. Where it is your opinion, I would hope that the usual rules apply, that you report that as your opinion rather than as a BDAC opinion, even if it is your sense that at some point that is going to be the conclusion of BDAC. Maybe that's a no-brainer and

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goes without saying, but it's always worth rummaging through.
Again, for members of the public, when we get to public comment periods, it's our hope that your remarks are in the three to five-minute range. We encourage your participation, but you are all clever people and can say what you need to say in a well-organized, constructive and three to five-minute way.
And finally, then in terms of trying to keep the meetings going, while there are some natural sorts of things that occur at meetings, like the first item always takes longer than the last, Lester and Sonny and I will do our best to maintain the flow of this program given that it is the intense desire of all three of us not to limit your participation or your thoughts or to try to make sure that it is our desire that each of you make sure that you have the light of day for your notion. To use Alex's example of last time. Alex may not have been pleased with the lack of support, but his notion was heard and debated and given that light of day. Since it turns out that all Alex wanted to do was do that anyway, then it was a success.
Okay. Moving on to the first item on

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the agenda which is the Phase II process and time line. Lester?
DIRECTOR SNOW: We have consensus on the first item. So I thought that we would call the meeting short today.
Okay. Actually, I want to take the next two items and blend them together and start off with the Phase II schedule. I think this actually is a pretty good follow onto what we just discussed because the issues are getting more specific. The policy discussion will be more pointed and more direct. And we need to tighten up the whole process as we move forward because we'll need to be more clear in the advice that we give to CALFED.
Earlier on, the kinds of questions we asked were, "Is this a reasonable approach for this point of the program and be able to provide that kind of advice to CALFED?"
As we continue to move forward into other steps in Phase II, the issues are going to get more focused, a lot clearer in terms of from a public policy perspective. "Is this the right kind of component to have in this alternative?" or "Are these kinds of impacts acceptable?"
So I want to spend a little time just

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reminding you, we discussed this at the last meeting, the basic steps in the Phase II process. We are in step one, which is the component refinement. And basically what we have is three steps before we get to the impact assessment phase, Step 1 is component refinement. Step 2 is the interaction between the components, how the pieces start fitting together. Step 3 is kind of an extension of Step 2 in terms of looking at how these things operate in identifying the costs and benefits of the way you operate these components together. Benefits and costs in this context doesn't have to be limited to dollars, it can be other kinds of resource benefits. Step 4 we get into the actual impact assessment phase, the modeling and analysis that needs to go on, which should give us enough information to start identifying which alternatives work well, which ones don't. Leading to Step 5, which is a draft EIR/EIS.

That goes out for public comment, review, deliberation. We modify that as necessary to go to a final EIR/EIS on to implementation level kinds of issues.

Now, I want to mention, jumping ahead a little bit. One of the things that's happened, and a couple of you already mentioned this this morning,

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what we've been doing is focusing on individual components. So we've been look at the trunk of the elephant, as Mike put it.

We need to start understanding the nature of this animal that we're putting together because actually we haven't been looking at the trunk. We've been saying, "This animal needs a nose. Let's start talking about this component." Now I think we need to start looking at the whole package.

One of the things we want to try to do today is kind of jump ahead and basically talk about some combination of Step 1 and 2 a little bit into 3, how these pieces starts fitting together, what the thing starts looking like, how you get the solution principle satisfied on a much broader basis, not on individual components, not on individual actions.

In terms of time line, I guess I want to do two things with this time line on here. One is to reaffirm the end date, that it's our plan to have a final EIR/EIS preferred alternative in fall of '98.

The other thing I want to point out on here is kind of a shift in approach. What we have done on this schedule, I will describe this little blue block in a little more detail in a moment, but we have taken some review time, that's review time

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for agencies as well as stakeholders and BDAC and moved it from between the draft and final to in front of the draft. So we're getting more understanding of the components and integration before we're actually out on the street with a draft.

The way this schedule works here, kind of in this general period, early summer through fall, we expect to go to first administrative draft, the kind of internal CALFED agencies, then the public draft. And again, we think it's real important to get more buy-in and understanding of the components during component refinement and also through impact analysis, than to wait until we have a draft on the street, which could be nothing more than a target for people if we haven't done our work. And then get more understanding, and hopefully that means that the rest of the process will go a little more smoothly.

That's kind of the general time line that we're on.

If there aren't any questions about the basic six steps or time line, I would like to jump into an example or system integration.

CHAIRMAN MADIGAN: Tom.

COUNCIL MEMBER GRAFF: I have a question. I found the first overhead in last month's

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packet, but not this one. Are you going to circulate that?

DIRECTOR SNOW: Sure. Yeah, we can make that available.

You want me to sign a statement promising that we will hit every one of these states?

COUNCIL MEMBER GRAFF: This will be of interest to people.

DIRECTOR SNOW: Under advice of counsel, I refuse.

Okay. What we want to do here, this is actually difficult to do because we are really trying to jump ahead and give you kind of an indication of how this integration can take place.

The first thing I want to do is give you every potential disclaimer that I can because we are jumping ahead. We don't want to be prejudgemental about this, but actually what we've seen in some of the work groups, it's hard to keep talking about this stuff conceptually.

CHARIMAN MADIGAN: Actually, what you're doing here, then, is jumping ahead.

DIRECTOR SNOW: Some might say that, Mike. If you read this carefully, I'm saying you can't hold me to it.

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We're trying to come up with a way to try to illustrate how these components fit together and the only way we can do that is to not only talk about the component, but how you would try to operate it. What are you doing with storage and how does it relate to the habitat restoration that you're doing.

We want to try to work our way through this. I guess I would suggest, I certainly have asked staff as we go through this to interrupt me if I'm leading you in the wrong way or missing a point.

I guess I say from your perspective, don't let me go too far past something that doesn't make any sense and see if we can get some clarification on it.

We provided a lot of time on the agenda today so we can kind of get through a basic understanding of how this will work and what some of the issues are and then have a lot of discussion, but certainly if you want clarification as we go through, we probably should do that.

I want to start with some real basics in terms of the mission statement. This is our objective. This is where we're headed, what we're trying to accomplish.

You may recall that we've broke that

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down into the kind of the four resource areas and set up objectives for each of the resource areas and subobjectives and we're on into targets in some of the cases.

One of things that we established which was pretty important to the program was solution principles. What does an alternative have to do to be acceptable. What are some of the basic public policy issues. And we set on these six.

So even assuming you're achieving all of the objectives we set out, you have to do these broader policies. These are the broad public policy issues the way I look at it.

It's really only when you start looking at the integration, that you start getting a handle on the solution principles.

Some of the discussions we've had even on staff and in some of the work groups and technical groups, people are trying to balance the solution principles within a single component. You can't really do that. You have to look at the whole package, which has kind of made this difficult.

What happened in Phase 1 is we basically agreed on these six components, recognizing there's a lot of detail in terms of what needs to be happening

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in the ecosystem restoration, what does a conveyance look like, what does storage look like, how do you operated it. These are the six basic building blocks to make up an alternative.

Also, as we have stated a number of times, this really is related to today's solution principles also. There is some guiding assumptions that we felt were inherent in the approach that we have taken that not only help meet the objectives, but reduce conflict in the system. And that is that the value of water or the competition for water varies significantly by flow rate, time of year and water year type. And if I by addressing that issue, you can actually reduce some of the conflict in the system.

Also, as kind of a foundation assumption is that restoration ecosystem restoration will improve ecosystem function, recover species and then further reduce the conflict and, therefore, have a supply impact to it. And those are basic assumptions that we have used since we have gone forward in the program.

I want to put up a couple of maps to kind of help walk through this. And Steve and Dick are going to be ready to correct me.

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What we've done to kind of try to describe the program and kind of step through it is we have kind of created three windows to talk about, first, what's going on. And we call it the North of Delta System. How are we dealing with the different issues. How we integrate the components north of Delta, the second one would be the yellow box, the South of Delta, the third one will be the red, and that's the Delta system itself.

One of the things -- I want to actually show this slide again at the end, but there's a couple of issues that aren't really focused in a region, they cut across the entire area. They are germane to the whole program. Water use efficiency, transfers, water quality source control. That kind of cuts across everything that's in the system, not real distinguishable except for -- I'll show you some exceptions within the different regions.

Also, for the entire system as opposed to one of these windows, the issue of assurances and financing.

So those tend to be the overriding program issues that you apply to the entire system.

So I want to take the first window. North of Delta. The first thing I would say is we

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put those areas up there for illustration only. In fact, somebody taped me to the floor -- it will take better tape than that, you guys.

We actually had suggested that we needed to fuzz the area. We didn't want anybody to think there's a sharp line there. And I was told there was no fuzz button on the computer. I thought it was Alt 3 or something, but it's not. The idea here is to kind of show these general areas of where this component or activity might take place.

Let me hit a couple here specific. We've stalked about off-stream storage north of the Delta. So generally what we are talking about is an off-stream surface storage facility somewhere on the west side of the Sac Valley. You cannot really talk about storage, particularly surface storage without then talking about ground water conjunctive use.

So, in general, we see those as length in the program and up in the Sac Valley you generally look at surface storage and some sort of ground water conjunctive use program. It could be located in many locations. We have simply chosen to show it in a configuration like this.

Specific issue north of the Delta, mine drainage control. A lot of other source-control

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activities, we highlighted here that which by reputation is one of the most significant mine drainage issues in the State of California. Iron Mountain Mine, which causes a lot of problems for a lot of people.

In terms of stream habitat restoration, looking at issues on the Sac as well as on the tributary recognizing that there's things going on all over up here, but we want to show some specific examples.

Watershed restoration, one of those kind of activities when you look at the specific action can provide direct and indirect benefits into the program, can be located downstream of a reservoir, can be located upstream of a reservoir.

Where it's located, how it's implemented dramatically impacts what kind of benefits it's providing into the program. We generally look at this system north of Delta and how we would implement this. You have water quality programing, ecosystem restoration program, your watershed restoration, which can affect supply, quality and ecosystem, and looking at how you're managing the storage facilities.

I guess the other thing I would say here

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first, generally is for purposes of this discussion, let's assume the storage facility somewhere around a million, two million acre feet up in the system.

MR. YAEGER: Lester, some of the more specific concerns related to especially the storage issue in the Sacramento Valley is the link between surface storage and conjunctive management of you ground water basins.

They really are intimately linked. You have to have surface storage to make the ground water management work. There are a lot of local concerns associated with management of the ground water basins there, concerns about third-party impacts, about impacts on the ground water table levels for the local water agencies.

And so we really need to, I think, move very carefully in that area. We're looking at developing pilot programs that would demonstrate how we would approach conjunctive management on a larger scale. These programs would have MOU's developed that would speak to the issues of developing partnerships to monitor third-party impacts, to monitor ground water levels and respond to those as they are apparent.

There are also, as I said, concerns

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related to how these partnerships would be developed, concerns of how the counties would be incorporated into those programs. And so we'll be developing further in the next several months some more specific proposals as to how we would address conjunctive management.

Conjunctive management also involves a heavy investment in infrastructure in order to make that work effectively. There are also concerns about timing, that is the ground water basin management programs could move forward fairly quickly in the time scale compared to the time it takes to develop a surface storage project. And so some assurances would have to be developed to link those programs to make sure that the surface storage is funded. It's going to be constructed, it's going to be operated in a way that's been detailed in the plan and so forth.

DIRECTOR SNOW: If I could add. Steve mentioned something that's a theme that you're going to see. And, really, in the case of conjunctive use, ground water banking, the issue there is if it's done right, it's a winner for everybody. The concern is it won't be done right. And you heard Linda Cole from the audience raise very specific concerns about transfers and banking and those kinds of issues.

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And so while we can technically describe, you know, how there is this interface and how that can have ecosystem and water-supply benefits, the issue is is it going to be done right and how can you guarantee me, how can you provide an assurance an assurance that you're going to implement it right and you're going operate it properly.

That's a theme that we're going to see over and over again as we move forward with the program.

Dick, did you want to add something?

MR. DANIEL: With regard to the storage facilities, traditionally we look at that as water supply for export. I want to make it clear that we're looking to obtain water for the discretionary use of managers in ecosystem restoration as well. And that in bit of a break from standard practice we will being looking to enhance in-stream flows, Delta outflow on a time value of water basis with supplies that are developed as opposed to obtained through the regulatory process.

Another comment: Lester said something about the acid mine drainage from Iron Mountain Mine causing problems for everything one. That's a very serious problem. When that mine drainage tends to

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spill is very often in February when winter salmon juveniles are very, very vulnerable to the toxicity. That reverberates down through the system in terms of take limits, in terms of exports in the Delta, and it has also caused some problems that may not be fully understood by the water-using public in that the only way we have been able to deal with that problem in the recent past is through dilution.

And there have been altogether too many occasions when we call Roger up, almost always on a Friday night, and say we have to increase releases out of Shasta despite the fact you're in a storage modes to try to dilute this stuff that has just spilled.

So there's a water-supply benefit is the point I'm trying to get across with dealing with this toxic-spill problem we have in Iron Mountain Mine. The solution to that problem is well under way and we would like to get it resolved completely in the not-too-distant future.

That's all I have.

DIRECTOR SNOW: Let me jump ahead and I think we'll catch some of these issues that Dick has brought up. Let me just take some ecosystem linkage issues and, again, just kind of looking generally in

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this area, both tributary and main stem.

You look at three different kinds of action meander zone, fish screening and tributary restoration. You see a number of things happening there. Clearly in the meander zone there's an emphasis on fisheries that you're creating ecosystem niches that are useful particularly to salmon and other species, since you're having a fisheries benefit.

Also, in the meander zone, the way you do that, like the 1086 program that's already underway up there, you do get some wildlife habitat benefits.

Flood protection kind of comes in from the standpoint that you have a program that's compensating these landowners that are currently vulnerable to the flooding. So you're actually providing them compensation for their land that is flood-prone to date.

In terms of fish screening methodically going through and screening, whether it's on a main stem or on tributaries, you're having an impact on direct mortality issues such as reducing entrainment. But you're also having a water-supply benefit in the sense of hopefully increasing diversion flexibility

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because you screened the intake.

On tributary restoration, a lot of the tributary restoration in the Sac Valley is aimed at increasing spawning and rearing habitat of typically endangered species, also other species, but the extent to which you increase spawning and rearing habitat, you start to reduce the ESA conflicts in the system, which again, carried to full implementation, has a water-supply benefit.

Let's jump a little more specifically into the storage linkage issues. And here we've generally broken them up into seasonal, year-to-year, and then the conjunctive management stuff.

When you look at the issue of having increased surface storage of some sort, you look at just kind of an annual basis. You look at the ability to make sure you've got the spring flows for spring fisheries, which is kind of a critical period.

Also, with that kind of increased storage flexibility, you can deal with -- some are water quality issues and certainly with storage, like a bank account, you're trying to deal with unforeseen water supply reliability issues or just the whole reliability issue.

Year-to-year in some respects is,

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perhaps, more significant in the long run in that you're providing storage from one year type to another year type. That helps you deal with conjunctive management. You can modulate water supplies to more easily make it available for conjunctive water management purposes. You're looking at carrying water over specifically for lower flow springtime needs of fisheries. And carryover for water supply.

Also, on a year-to-year basis, it allows you to look at the bigger system in terms of reoperating for fisheries and water supply benefits.

Conjunctive management really needs to be kind of, I guess, highlighted on its own. The connection between the two, surface storage and conjunctive management, more effective storage of the high flows and ground water basins and actually can be stored there for drought fisheries and water supply enhancement. It gives you a bigger bank to utilize.

In terms of the kind of linkage issues, we just talked about what you would look at as the direct linkage. You have additional or modified or enhanced surface storage, and you can use that water in storage for drought protection or you can use it

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for fish flows.

When we look at the system, particularly up in the Sac Valley, then it's all these other things that get tied in. An effective watershed management program actually gives you a smoother hydrograph, which may be beneficial to your surface storage. You may have more effective surface storage because of your watershed management program. And then also because of having a modulating reservoir, you may be able to use ground water basins more effectively.

Likewise, with surface storage with conjunctive management, you may be able to have transfers in the system with less impact, less economic impact because you have developed a more effective mechanism, effective program for storing and guarding against droughts.

These, in turn, become linked to using transfers and conjunctive management to deal with fish flows and also deal with drought protection.

These are generally the kinds of linkage issues we're trying to tie together as we look at moving forward into the next steps of the program.

Stu?

COUNCIL MEMBER PYLE: Is there a reason

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why your uses of the surface storage such as conjunctive management and transfers, that you don't include other uses of the storage such as urban and agricultural use or water quality or some of the other things? Aren't there a lot of other items you can put dotted arrows to?

DIRECTOR SNOW: Yeah, I think in terms of ag and urban, we just kind of lumped it under increasing liability, the drought protection for ag and water users. But you're right the surface storage, there's a lot of other lines you can draw on here. Some of them -- I haven't put flood control on here at all or flood protection or recreation.

So there's a lot of other things. Some are small, some of the off-stream reservoirs have a little bit of flood control benefits, not overriding, but if you literally drew everything -- and there's a lot of things going on, particularly with off-scream storage.

COUNCIL MEMBER PYLE: You're not exclusive?

DIRECTOR SNOW: No.

MR. DANIEL: I guess the way we were doing it, Stu, was conjunctive use management includes utilizing your storage during good years and

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the average years to meet ag and urban water supply needs as well as fisheries' needs and that drought protection comes from the tie between your conjunctively using ground water basins and your storage. It's in there, though, it isn't as explicitly stated as some of the others.

DIRECTOR SNOW: The other thing that is perhaps implicit in here and shouldn't be is this type of activity has benefits both locally and to the system called the local system, like the fisheries' needs in the river as well as the local water users as well as to the entire system. That's real important.

This isn't something just to make the Delta better. Once you get into this, then you look at the entire system, then you're providing local benefits particularly to the ground water users and how they operate and also firming up supplies and being able to provide these to the broader system.

COUNCIL MEMBER SELKIRK: Are you going to develop some kind of method of prioritizing these kinds of linkages? Because obviously they are going to be -- this is an enormously complex process. You have dozens of components, anyone of the different aspects of the program, ecosystem restoration or

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water supply liability. How are you going to discern which in the final analysis are going to be the most valuable linkages?

DIRECTOR SNOW: We're attempting to model that at the problematic level and maybe Steve and Stein want to maybe add some technical detail to that.

MR. DANIEL: In general, the way we were approaching the priorities there is, first, the technical ability of the facility to meet the objectives. We're looking at it from a cost-effectiveness standpoint, also for the flexibility to meets multiple objectives, for instance that would be fisheries objectives as well as water supply reliabilities, as well as water quality benefits and so forth.

I think Stein has developed some specifics -- I shouldn't call them specifics, at least they are trends from the analysis of what we're doing. I think it will help you understand a little bit better how we're going to prioritize these things.

MR. BUER: Before I put any slides up there, I think I would like to emphasize that we look to the stakeholders in the process to set the

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priorities, that we as staff, we see it as our role to take those assumptions and priorities and use our technical models and our analysis to give you feedback, to let you see what the consequences of those decisions are.

So, in fact, that is one of the priorities that we see in the coming months is developing a process whereby all the stakeholders can participate in developing the rules from modeling the system.

DIRECTOR SNOW: If I could interrupt for a moment.

We don't think you can come up with one scenario and then you run a model on it. So we want -- to oversimplify in this case, we would want to run a model, we would really need a lot of fish flows during this period of time, then we would run what is it we do, we would want to try to bracket this so we can make some reasonable judgments about the kind of flexibility and the kind of opportunities that you have.

So we're trying to bracket this rather than what I would almost say would be prejudging to come up with one operating plan and that's it and then you're locked in with all your model runs.

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MR. BUER: That's right. What we hope, really, is to see over the next several months the development of several packages of operating rules, which, in effect, reflect the priorities of the stakeholders so everyone interested can see the consequences of those decisions. And then through that information, you can look at the costs, you can look at the benefits, and the engineering feasibility and the environmental consequences for specific site of locations.

If it's appropriate, I could show a couple of slides at this point showing how these priorities and assumptions affect what you might choose in terms of facility size, for example.

Is this a good time?

DIRECTOR SNOW: Sure.

MR. DANIEL: While Stein is setting up, I just want to say that what we're going to show you are, again, the trends we're getting out of our analysis of storage, surface storage and ground water conjunctive use in the Sacramento Valley. Again, they are meant to try and tag the range of facility sizes that we're going to be looking at during the more site-specific analysis.

So we're, again, showing you trends, not

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trying at this point to really nail down whether it's 2 million acre feet or 1.2 million acre feet, but develop under the range that looks like it works from a technical effectiveness standpoint and also from a cost-effective viewpoint.

DIRECTOR SNOW: One thing I want to stress here, and Stein can do it, too.

When we talk about additional supply, we're making no judgment about whose supply that is at this point. That could all be fish flows, it could all be diverted consumptive use supply. It's just how does this work in the system.

MR. BUER: Actually, this slide works in conjunction with one that's going to follow immediately.

What we're doing at this point is a combination of using the systemwide model called DWR Sim which models all the reservoirs and streams of the central valley and how they interact in accordance with established rules and law.

On the top of that, if you operate DWR Sim, you will find that at various times in the historical periods, there are opportunities for additional divisions of water that isn't currently allocated and may run out to sea, above and beyond

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current Delta standards, for example.

We're using a post-processing spreadsheet approach to try to allocate those kinds of flows to storage and releasing them according to rules and priorities which we might make assumptions about.

In this particular slide, we're assuming just for illustrative purposes that a reservoir north of Delta off-stream is used for water supply for urban and ag only.

You'll notice that the apparent yield or water supply opportunities are relatively low. Again, the numbers are for illustrative purposes only. But let's just say we have 200,000 acre foot per year annual water supply opportunity as a result of that. This is also assuming that we have existing Delta conditions. No additional Delta conveyance.

MR. DANIEL: Before you move that, maybe I could point out that the trend we're finding in our analysis and what these graphs are showing you is that because of hydrologic factors and because of pure system operation factors, that you're really not getting much benefits beyond about 2 million acre feet of storage. So between zero and 2 million acre feet of storage in the Sac Valley, you get a pretty

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sharp rise in benefits for each acre foot of storage that you have. Beyond that, it is very, very little benefit.

MR. BUER: Again, before I move to the next slide, I would like to emphasize even in this spreadsheet analysis there are some assumptions about when it is environmentally acceptable to divert water that we have arbitrarily made, not entirely arbitrary. We have had extensive discussions with Dick Daniel and additional biologists in this group. We don't have close stakeholder participation in that at this point.

But let me just very quickly indicate what those might be.

CHAIRMAN MADIGAN: Eric, did you want to ask a question?

COUNCIL MEMBER HASSELTINE: Could you just expound a little bit further on the point you just made about the point of diminishing returns really above the 2 million acre feet? What's causing that? What's happening actually that beyond that, it's not doing you any good?

MR. DANIEL: What's happening is this is the interaction of the operating assumptions that we're making with the physical ability to move water

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off the Sacramento River.

What Stein was talking about as far as the operating assumptions that we're making based on our discussions with some of the fisheries and biologists. And Dick has taken a big lead in developing some of the initial concepts to allow us to start at least doing some rough-cut modeling. Those assumptions were that we would not divert all the time during the winter on the Sacramento River that is we would allow the first flush hydrograph) of the year to move through and not divert any water during that hydrograph.

And the second hydrograph where the flows exceeded 60,000 CFS at Rio vista, then we would as the second hydrograph move by, we would start sculpting water off of the hydrograph. On the falling liga hydrograph and subsequent hydrographs.

Maybe Dick would want to expound on his thinking behind on why that is a good way to at least start modeling of least impact way of moving water off the Sac River.

MR. DANIEL: Very briefly, from the biological or ecosystem function standpoint of things. We know that variability in flows in hydrograph in the Sacramento River is important. We

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know that there are ecological processes that are stimulated with the higher flows. We suspect that once we get that ecological process underway, that it doesn't need to be repeated over and over again in a given year. So that's the notion behind allowing a peak flood flow to come down uninterrupted.

And then secondly, the possibility that we can model impacts in addition to water supply benefits by taking some water off the back side of the second peak flow.

Another point that we've been looking at is that there's a segment of the Sacramento River above Chico Landing that is unleveed. That's where a lot of the very important ecological processes take place.

We have been thinking in terms of diverting water to off-stream storage below that point so that we don't interrupt those processes that take place. And it looks like it's quite feasible. And those are some of the factors that limit the results of the model that you see here.

DIRECTOR SNOW: Maybe I could tie just a few of these things together in terms of this hydrograph.

Dick specifically mentioned the

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significance of the way the river works above Chico Landing, which I assume is somewhere near Chico.

MR. DANIEL: But it's on the river as oppose to inland.

DIRECTOR SNOW: And while that may start leading you -- we're not at that point yet that if you are making additional or different divisions off the river, you look at an area like that to achieve the kind of benefit you want in this reach.

In a very general illustrative sense, this is what we've just talked about in terms of how you might modify the hydrograph to get access to this water to provide both the fisheries and water-supply benefits.

And the project here simply means the storage, surface storage conjunctive management kinds of issues where you would have experienced a peak like this, but you are diverting at the proper location, and then during the low-flow periods you are releasing. So in general, you're filling in some of the most water-short areas. And so the theory, again, as you're getting fisheries benefits, you're not getting the same kind of environmental impacts up here, you're getting a lot more bang for the buck from an environmental standpoint when reintroducing

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that water down here and you can achieve a win-win.

That's a simplistic overview. There's an awful lot of analysis and concerns that there are about that approach.

Mary?

COUNCIL MEMBER SELKIRK: I want to follow-up on the question. The issue of the sizing of the facility that you're looking at. Is the limits of the hydrograph and the --

CHAIRMAN MADIGAN: I'm not sure he heard your question. Use the mic.

COUNCIL MEMBER SELKIRK: The point at which you identified diminishing returns with regard to the sizing of a North of Delta storage facility, for example, and I understand that these are very rough, but that the trends that you're seeing are that there's -- that at about that number on -- the high number on the red line, you're reaching some level of diminishing returns. My question is that: As a result of the hydrograph itself and the necessary kinds of flows, it would have to be returned to the river?

MR. BUER: If I could just take a moment on this particular one. There are a number of constraints in the system. Steve and Dick have

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discussed one constraint, which is when can you take water from the river without impeding ecological function? Another is this particular graph, just a starting point for the discussion, we're assuming that the supply was allocated for water supply only, which meant it would have to move through the Delta at some point.

With existing Delta constraints, you have very little additional conveyance capacity through the Delta and, therefore, the benefits drop off very quickly.

You'll notice the red line is for the dry period, and notice a higher because there's water moving through the system, and so you have freed-up conveyance capacity.

If I could just put another slide up here. This particular slide assumes that the reservoir is allocated for both environmental benefits and for water supply. And you'll notice that the cumulative water supply opportunity benefits has jumped way up. And in this case the environmental benefits we're assuming are augmentation of Delta outflow during periods when it's beneficial for fisheries. And since it is unconstrained by Delta conveyance capacities, you can

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see now that you're jumping up into more than double the average annual yield.

So in this particular instance, you can see that, number one, that if you have multiple uses for the reservoir, you can take advantage of the water that is available in the system both for environmental and water-supply benefits and, therefore, exercise your facilities much greater to get the benefits.

DIRECTOR SNOW: Let me try to finish off at least some of the storage concept. And we can -- I think we're giving you the kind of information that leads to a lot of detailed discussions that we're going to have over the next ninety days.

Just to finish this off, the concept is, of course, targeting higher flows, which means when you're diverting 5,000 CFS, it's a relatively small percentage when you're reintroducing it, it ends up becoming kind of a more significant impact. And that's guiding how we're doing this.

The one additional concept I want to add is the relationship across year types, as I mentioned on the bullet slide. The fact that you're trying to capture some of these flows and even some of these flows, really for the purpose called the

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environmental purpose of avoiding these types of low-flow conditions in the spring, in the spring period. This is the most critical period, when we have the most competition in the system, the most litigation, the most shutdowns, the most species jeopardy. This is what we're after from an environmental standpoint.

Obviously, this water, the way we're looking at, is water that can be shared in the long run for water supply as well as fish flows.

On the map we talked about mine drainage control. When we look at water quality programs north of the Delta, there's a lot of other things going on. Drainage control that applies to urban, ag and industrial. Point source discharge, we need to look at that to see what's going on in terms of the permits and what's happening there. Mine drainage control, perhaps one of the single biggest issues, and then something that's a longer term, both direct and indirect, is improved watershed management in the entire system can have significant water quality impacts, some immediate, because of the actions that you take, some that really mature over fifteen, twenty years, a long-term investment in the watershed.

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Rick, do you want to add anything? No? Okay.

I will just take one example. The biggest culprit with the mine drainage problem I understand is copper. There's other contributors. Basically what's happening in the group that Rick Woodard is working with is trying to establish what kind of target do we need for copper.

When we look at the program, both source control, mine drainage control, here's what's happening in the system, here's what we're starting to think we may be able to achieve. It's all those kinds of things that maybe start coming together that may have impact of where we need to go to improve the overall system.

Okay. Let's switch gears and go south.

We were going to put Alex's farm on here.

COUNCIL HILDEBRAND: It's there.

COUNCIL MEMBER BORGONOVO: Could you discuss the import of copper? Are you talking about the effect on fisheries or all of the invertebrates that are part of the food chain, is that --

DIRECTOR SNOW: All of the above. There are a couple people, Rick and Dick, both can provide

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a much better answer.

MR. DANIEL: When it comes to copper, we're talking both acute levels where we get spills from Iron Mountain Mine, which can result in immediate mortality, primarily of juvenile fish, but of invertebrates as well. We also have a chronic level of toxicity associated with copper, which quite possibly reduces the food-chain productivity and effects the system in that way as well.

I don't think there are any serious identified urban public drinking water problems associated with the problem as it is today.

CHAIRMAN MADIGAN: Did that answer your question, Roberta?

COUNCIL MEMBER BORGONOVO: Yes.

CHAIRMAN MADIGAN: Okay. Don?

COUNCIL MEMBER BRANSFORD: Dick, is that both in the Sacramento River and the Delta or primarily in the Delta?

MR. DANIEL: Primarily in the Sacramento River. But if we are affecting food-chain productivity through these toxic discharges, that rules all the way down the system through the Delta and into the bay as well.

DIRECTOR SNOW: The same basic rules

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apply here, that the areas are for illustration only. Obviously, if you're looking at the entire salt management effort, you would end up drawing the area quite differently, we want to illustrate.

I guess one of the things that's significant here is a lot of the same components you'll notice that we have distinguished between on-aqueduct storage and expanding the existing storage facilities. I'll just describe that in a little more detail.

Those familiar with the system know that the east side of the San Joaquin Valley has a lot of existing reservoirs. It's been raised in the scoping process and in here a lot that there may be opportunities to enhance storage in those existing reservoirs. And that really ends up being kind of a separate function of looking at what you can do with these to provide water supply and environmental benefits.

That is separate from considering like we just talked about in the upper Sac, looking at what we're calling here "on-aqueduct storage" or "off-stream storage" related to utilization of the state and federal project aqueducts that exist here. And so this end up functioning much more like what we

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talked about in terms of off-stream storage.

This is different in terms of enhancing, modifying operational reservoirs because of what it can mean not only to water users, but also to the stream flows that are important from a habitat standpoint.

I don't think I have a slide on the specific ecosystem stuff in this section, do I? Well, if I don't, I just want to mention there are some different kinds of activities here that you will see on the upper Sac. Just take one specific example, you have some old gravel pits that have become locations for large fish eating small fish that go by, and the small fish are salmon, kinds of things of isolating to deal with predation issues as well as more classic restoration kinds of activities we talk about even in the Sac Valley. I may have a slide that does that.

MR. DANIEL: With respect to the off-stream storage that we're looking at on the aqueduct, there are still some concerns related to storage in that part of the valley. One of them is that it really does not eliminate the conflict between fisheries and water supply diversions. Particular care will have to be taken to improve the

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screening systems at the existing pumping plants to try to deal with that issue. There are also quite a few on-site environmental problems associated with many of those off-stream storage sites.

On the enhanced storage, enhanced existing storage on the east side of the valley, again, there is some concerns there related to oversubscribed watersheds, how the water would be allocated between environmental uses and water supply to make up some of the oversubscription there.

There are also concerns related to really any of the storage systems in the San Joaquin Valley and that relates to the competition between local water agencies and their ground water banking and conjunctive management, programs and any programs that we would develop for either off-stream storage, enhanced existing storage or ground water banking in the San Joaquin Valley.

There are also concerns related to releases of flows and timing for those facilities that are located on the east side of the San Joaquin Valley, any enhanced storage there. We would have to be particularly mindful of working out operational schemes that would deal with the issue of timing for environmental flows and the need for more precise

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timing to utilize water for agricultural purposes out of those tributaries.

I think there are some other more specific concerns related to salt management that Rick Woodard wanted to speak to.

MR. WOODARD: Well, salt in the valley causes a number of problems obviously. Certainly from the standpoint of agriculture there is a limit to how much can be tolerated. It does cause reduced crop yields as salt levels go up in the irrigation water.

Obviously, it also compounds problems with salt moving down into the Delta and associated salinity in some cases. So it's, I think, a very important thing.

Also, in terms of drinking water supply, the salt in the drinking watery reduces your ability to recycle and reuse, reclaim waste water. And that's particularly important in Southern California.

DIRECTOR SNOW: Okay. I guess one thing I would add, I'm not going to go into a lot more detail on this, maybe I'll make a point here that I'll also make at the end. We're trying to show how these components can fit together. You would never be able to do all of them. I think this is real

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important.

So we're showing you like on this slide, off-aqueduct storage, enhanced upstream storage of existing reservoirs. We showed you on previous slides Sac Valley storage in conjunctive management. We'll show you Delta facilities in a moment. We're showing how they fit together. It's unlikely you could ever afford or would want to do all of them. Sometimes they will diminish their own benefits by doing that. So that's important. We're trying to give you a snapshot of how they fit together.

The other thing is, and Steve made this well, and Alex has made this point a number of times. You can come up with strategies of how you will get water for water supply or fish flows. If you're not careful how you manage, then you create a water-quality problem somewhere else at the wrong time of the year.

So all of these things starts feeding together. The way you operate your storage can tie in into a salt management strategy is pretty darn important. Then when you add Delta facilities to it, likewise. If you operate them properly, you can achieve the benefits. If you don't operate them properly, you're going to shift the impact to another

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location.
Alex?
COUNCIL MEMBER HILDEBRAND: Can I call attention to another opportunity in this area?
Historically, as most of you know, the grasslands and wetlands were located primarily along the valley floor, largely on the west side of the river and south of the Merced River.
What happened was that when you had high flows in the river, it overflowed those areas reducing, then, the peak flow rates further downstream, absorbing water from those peak flows and then draining back in the river later on, which was typically better for the fishery, and it was much better for water quality because you then supplied the water for those grasslands largely in those years with high-quality water instead of with the imported water that they now get, which has a lot of salt in it.
At the request of the San Joaquin River Management Program, the corps made a study of the opportunity to restore a controlled overflow and return to the river in those grasslands areas, indicating that one could put 100,000 acre feet or more onto them and then drain it back off, the amount

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depending, of course, on the kind of water year.
And it was warmly embraced by all of the various interests involved in the San Joaquin River Management Program. The ecological interests, the flood-control interests, and the water-quality interests. And it hasn't gone forward largely because of the institutional difficulty that institutionally it's very hard to get a program moving if it involves the accumulation of multiple benefits because each agency is only empowered to look at only one kind of a benefit generally sneaking.
So we don't have a mechanism for saying that all of the benefits should be looked at, water quality, flood control, grasslands benefit, et cetera, and then handling a plan that does all of those good things.
So I would hope that this program can pick that up and override all these institutional problems and get it done. It's not a very expensive program and has enormous benefits for all interests.
DIRECTOR SNOW: Okay. Thank you.
Okay. Let's jump into the third window in the Delta.
DIRECTOR SNOW: Let me talk about this

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first and then talk about the conveyance.
If we probably did this right, all the colors would be completely overlapping. So we chose to kind of show it in this fashion. With wetlands, big concentration here, obviously, anyone who has looked at the wetlands issues, but in reality, title wetlands, managed wetlands, you're really talking about San Pablo Bay all the way up into the system. It's a critical part of how you're going to deal with the Delta system. That's really clear that that needs to be integrated into everything.
The broader habitat restoration issues, shallow riverine habitats, certain kinds of terrestrial habitat. You can't simply assume that you go into the Delta and make modifications to deal with the fish issues because there's also endangered wildlife species and plant species that you're going to have to deal with. Also you need to make sure that you're integrating this with a land-use pattern that exists in the Delta as much as you can.
Source control issues, there's some specific ones associated with industry and the cities in the system. Obviously broader runoff non-point source issues also.
We have on the table in-Delta storage,

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kind of generally in this area. We have highlighted here more classically as a concept of using the islands for storage. Levee improvement, how you use the levee system to provide reliability and land-use protection, also how you use it to deal with the other resource problems of the system.
Roberta?
COUNCIL MEMBER BORGONOVO: Lester, could you orient us as to what that means? Delta outflow, is that San Pablo Bay?
DIRECTOR SNOW: Sorry. This is the Delta, Carquinez Straight, Suisun Bay Marsh, San Pablo, on down to golden Gate would be right about there.
COUNCIL MEMBER BORGONOVO: Thank you.
DIRECTOR SNOW: Again, I want to reiterate that when we talk about wetlands restoration and our program and targets, it includes San Pablo Bay issues.
COUNCIL MEMBER RAAG: Lester, I've been asked a question that I didn't have the answer for about a large storage facility north of the Delta, and that is: Is there the implicit understanding, perhaps just on the part of the some of the stakeholders, that a large storage facility is going

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to mean that eventually they will be -- that will enable an increase in exports from the Delta?

DIRECTOR SNOW: I'm not -- maybe I don't know the specific issue you're trying to bring up.

COUNCIL MEMBER RAAG: In the area you've used the term "Water Supply Reliability."

DIRECTOR SNOW: Yeah.

COUNCIL MEMBER RAAG: And the question I got made the assumption that's a code word for increasing eventually an off-storage facility would make it possible to export more water from the Delta.

DIRECTOR SNOW: I don't want any code words.

There's no question that we have on the table that the cumulative effect of all of these actions, off-stream storage, habitat restoration, water-quality enhancement, can lead to additional diversions out of the system. I don't want to be unclear about that at all. That is clearly on the table. That's one of the principal assumptions that we've talked about is it's actually impossible to provide additional critical fish flows and additional water supply. And that's embedded in our analysis in the way that we're approaching it that's what we need to analyze. so I want to make sure that I'm not

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unclear on that issue.

Hap?

COUNCIL MEMBER DUNNING: Is the opposite true that the outcome might be decreased, export, not just changing timing, but decreasing the overall export?

DIRECTOR SNOW: Yes, it could be.

Mary?

COUNCIL MEMBER SELKIRK: I was going to ask this question later today when we look at the summaries of our prior discussions in October on water-use efficiency, but I wanted to follow on Bob's question and raise this issue now. That as the staff is developing these kinds of actions in identifying linkages of benefits across different program components and you're looking at developing or the possibility of adding facilities like storage, off-stream storage, for example. I would like to know in some more detail the assumptions that are being made about projections for increasing water demands and needs across the state because I think -- and in addition to that, some greater understanding or comparison of the possibilities for alternate operation of existing facilities so that we have some understanding of both what kinds of projections are

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being assumed because in the urban sector, for example, there's enormous variability in terms of projections of needs for water over the next twenty or thirty years.

I think it's really important for BDAC members and the public to know what the assumptions are with regard to needs for water.

DIRECTOR SNOW: Yeah, if I could maybe back up on that issue.

What's driving the kind of analysis that we're doing right now is balancing the system. It's not being driven by the City of Los Angeles's fifty-year water-supply needs. It's being driven by analyzing the system, kinds of diversions that are in it, the environmental needs, the water-quality needs how can we try to balance those to kind of optimize it.

We're not, as we discussed previously when Alex brought this issue up, it's actually not the state's long-term water demands that's driving the solution as much as it is balancing the resource needs of the Bay-Delta system.

Now, we are putting together in the Existing Conditions Report, you know, all of those kinds of issues, what are current demands, what are

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current supplies, what are projected, and that sort of thing. So that information is available.

That's not really driving the way we're looking at these configurations.

I guess the other issue I want to kind of get back to, I don't want to leave this issue of concern over increased diversions. This gets to one of those issues of is that a position or an interest. Because what is the interest we're trying to protect?

We have identified goals and objectives for all of the resource areas. So on the ecosystem side, it's pretty explicit. The question is: If we achieve those, does it matter whether there's more or less exports? If there is a kind of an off-table agenda item of a measure of success is whether we have decreased or increased exports, that's a different issue that's not part of our program. It's really important that we understand the difference between the position and the interests.

COUNCIL MEMBER SELKIRK: That's not -- I wasn't trying to imply --

DIRECTOR SNOW: I backed up.

COUNCIL MEMBER SELKIRK: Okay. But I think cost is a really big issue.

DIRECTOR SNOW: Right.

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COUNCIL MEMBER SELKIRK: If we're looking at several hundred million dollars for a particular alternative, I think we have to be comfortable with the understanding that an alternate reoperation of existing facilities is not going to do the job.

DIRECTOR SNOW: To oversimplify, actually, there's two ways that we analyze that analyze. But certainly alternative one requires us to look at as many operational configurations as we can to the existing system basically.

Roberta?

COUNCIL MEMBER BORGONOVO: I wanted to follow-up on the last two questions. I think what Bob was asking and what Mary was asking is that for all of our constituencies, we just need to know what it really means when you put all of those components together. So, for example, in the ecosystem workshop this week, there is -- there are indicators there. One of the indicators is the inflow and the outflow through the Delta.

So that's a lot of importance to our constituents.

I think Mary is addressing another issue. That is many of us expressed a desire to

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operate within the existing system and to very much look at the way in which demand does drive the overall view of what is considered to be water reliability. And those questions need to be answered and the assumptions have to be there for us to analyze whether the ultimate solution is going to answer our real concerns.

DIRECTOR SNOW: Okay. I flipped this additional graph on top of this and didn't mention it. This is not a liver fluke as Sharon pointed out. This is a -- conceptually through Delta modifications that we've talked about that would be a part of both Alternative 2 and Alternative 3.

Then in Alternative 3, we're talking about an isolated conveyance. What's in Alternative 3 is quite a range on that.

Obviously, the concept here is the integration, if you take an Alternative 3 with both, you're looking at the flexibility of how you operate this system in terms of not diverting here when you have Delta smelt located here using this facility of not using this facility when you have winter-run salmon and using this facility. Those are the kinds of concepts that are embodied in the conveyance approach.

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I think we have bullet size to help illustrate some of these issues as well as additional graphics.

Some of the integration issues are more clear in the Delta system, where when you're dealing with your -- the need to stabilize the levees, just as you move forward with that program, if you understand the ecosystem needs, you then have opportunities in this case to not stabilize this portion here, which would be problematic and in some cases to maintain anyway, and you take this opportunity to stabilize, improve the levee system, and actually create habitat while you're doing it.

This is a very basic type of integration that results in Dick and his work team working very closely with Kirk and his work team trying to develop an integrated work program.

We actually can take that, then, a step further and particularly with the through Delta, as I mentioned over here is you're trying to deal with channel capacity, then you have an opportunity to deal with conveyance issues in the Delta, improved levee stability by enhancing the levee. At the same time, you're creating additional habitat and even expanded by abandoning an existing channel to create

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some unique habitat opportunities.

So in this case, you're talking an action, you go through here and you're addressing three resource areas.

So these are the kind of things that if you think back to six-step schedule, Step 2 is about this kind of stuff. Actually looking for the places you can achieve maximum collaboration between the different approaches and identify different antagonisms to the different approaches.

In terms of the conveyance issues, which will undoubtedly be the most difficult to talk through from an interest basis because there are so many positions that are taken around these issues.

When we look at what you can accomplish, there are certain water quality improvements that you can accomplish with your conveyance system and how you design it. There can be fish-flow improvements, water supply, you can deal with flood-control issues as you're dealing with this system. Certainly as an illustrated terrestrial and aquatic habitat improvements. By the same token, Steve wants to add to some of the negatives here. Certainly in water quality, you potentially can have water quality side effects.

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MR. YAEGER: Exactly. While the water quality improvements we're pointing out on this particular slide relate to urban drinking water quality improvements and ag water quality improvements that are possible with each one of the conveyance alternatives, especially Alternative II and Alternative III; however, there are potentially side effects for especially South Delta and Central Delta on water quality. There are concerns there that assurances be developed that would guarantee that their water quality will be maintained and protected while you're moving water, especially in the isolated part of Alternative III, though there are some concerns with the some of the impacts of Alternative II on Central and South Delta, water quality.

Also, our water quality concerns associated with any of the storage proposals within the Delta on the Delta islands, concerns revolve around organic carbons and potential for increasing the level organic carbons in the water supply, especially for urban water use.

Dick, did you have some habitat concerns you wanted to discuss?

MR. DANIEL: There will always be

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concerns relative to the amount of habitat you need in the Delta to support the system. There will always be conflicts between existing land use and efforts to recover habitat in the system.

Water quality, the Delta is the naturally eutrified ecosystem that has very high levels of organic carbon naturally in the water supply. This is a very important part of the food chain. So there's disjunct between using eutrified system for urban water supplies and trying to provide and maintain high levels of productivity in terms of the food chain. These are all the kinds of problems that we are trying to sort through and resolve.

That's all I have.

DIRECTOR SNOW: Okay. One kind of summary slide put it in terms of Delta outflow which is often a significant issue.

The way that, say, those two basic assumptions I started out, with being able to deal with the time value of water and the benefits of habitat and that sort of thing, what can end up happening, and those are actual years, so we've shown the potential adjustment of what has happened in those years.

The thinner line with utilizing the

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storage concepts we've talked about and the way you're moving water in the system, what could happen.

So what you see is moving some of the peaks and then filling in some of the low-flow conditions.

And, again, these tend to be the critical periods. That does not mean that these are free of impacts. Nobody in the program or anybody would say that these issues here are free of impacts, but it's the issue of balancing.

And then what we have not addressed, and I think it's important to this group as well as others, is once you've been able to capture some of that water, what's the right relationship between the fish flows versus water supply? And that's going to be an important issue.

But in general, I think that, you know, the magnitude here is significant in terms of what still happens in this system, and that kind of ends up being a net effect.

Behind this, behind this Delta outflow is all of these different kinds of activities, all the way up into the watershed in terms of improved watershed management.

So this is kind of one data point that's

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not the whole picture, but it kind of gives you a feel for how these pieces start coming together. And again, we'll have some summaries by the four resource areas because we haven't done that before, how these things tend to integrate, then I'll talk a little bit about the assurances.

Eric?

COUNCIL MEMBER HASSELTINE: Lester, is that chart just purely exemplary or is there a basis? What is the project we're talking about there for this chart? Is there one or are we just sort of showing an example?

DIRECTOR SNOW: Well, it's to illustrate things, but it's not totally out of the ballpark, I guess I would say.

MR. DANIEL: In general, what this is trying to illustrate is the effects that would be there with some type of combined system that includes North-of Delta storage, both surface and ground water as well as combined with some level South-of-Delta storage and some level of improved conveyance through the Delta.

COUNCIL MEMBER HASSELTINE: And the fact that we're shaving those picks just slightly and we're filling the valleys just slightly, is that in

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any way representative of the limitations we were talking about before or is there opportunity to smooth those peaks and valleys even more? And is it worthwhile doing that?

MR. DANIEL: I think there are certainly opportunities to add more base flow in the spring months of dry years to affect fisheries. And what we're finding is that particular operation affects the size of storage north of the Delta and south of the Delta that would be indicated more dramatically than looking at it from a water-supply standpoint.

We're working, as Stein tried to indicate, through stakeholder groups to try to work out at least a range of what additional flows ought to be added in the spring so we can more carefully look at the implications that has for both North-Of-Delta and South-of-Delta storage capacities.

Of course, factored into that at some point is economics. You can certainly look at adding very large volumes of storage to do both fisheries enhancements as well as water-supply enhancements. But at some point we're going to be hitting an economic ceiling that's no longer affordable and below that, of course, it becomes that marginal analysis that we're going to do to try and display

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fisheries benefits, water-supply benefits versus the marginal economic benefits and cost.

MR. BUER: An additional comment to your specific question about the assumptions here. The reason the peaks are only shaved slightly is because underlying assumption for this particular graph is at its off-stream storage. On-stream reservoir you can capture massive flood flows and then reoperate in terms of conjunctive use and so on.

If you're limited by the diversion capacity of a screened intake, then you can only take a small fraction of the flow. In this case, the assumptions we're limited to 5,000 cubic feet per second diversion capacity.

COUNCIL MEMBER NOTTHOFF: I wondered if you wanted to comment on full range of techniques that you would be using to increase Delta outflow? This is just showing off-stream storage, there are certainly other ways to increase outflow that you're going to be looking at. Do you want to comment on that?

MR. DANIEL: This particular example is meant to try to illustrate what you would do using both off-stream storage north of the Delta, south of the Delta as kind of the priority bank to tap to

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enhance spring fisheries.

So we would be going first to off-stream storage and then during second and third drought years in the sequence perhaps, we would be moving then to tapping ground water sources through the conjunctive management program to address both water supply reliability and to help augment spring fisheries. And, of course, graphed into this is the concept, too, of the water use efficiency measures will also interact.

DIRECTOR SNOW: Transfers.

COUNCIL MEMBER NOTTHOFF: That's what I was thinking. If we're talking linkages, it's accumulative, it's not just one of the techniques. You have to capture that.

DIRECTOR SNOW: I'll pull that back. That's a very good point. It kind of started off on top of all of the specifics and locations is water sufficiency transfers, the financing, the assurances, and all of those things that have to be there.

So when you look at trying to come up with some critical flow, in fact, that may be coming from a lot of places, and it may include some storage, some re-operation of storage, some transfers, et cetera.

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The other thing I want to stress is that you can look at some of these places as fish flows, but this isn't how we deal with the salmon. This is one little piece. And you have to keep in mind the whole program is based on -- like Dick is working on is providing more natural spawning for the salmon to get the toxics out of the system that make it difficult for salmon to survive, more rearing of escape habitat.

So the idea is to not only get more of this water, but to make it more effective because you've given the species in question a lot better habitat to make it more survivable in this situation.

So there's no one piece. You can't simply restore the creek and everything is fine. You have to take care of all of these issues and you have to consider critical flows.

Vice versa is you can't just look at flows. That's the tradition that we've had in the water industry, is we're just going to fight over this. And the whole approach is this isn't the whole story. You have to understand everything else that's going on in the system in terms of toxins, habitat, flows, watershed management, everything ties into it.

CHAIRMAN MADIGAN: Roberta.

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COUNCIL MEMBER BORGONOVO: I just wanted to go back to the baseline condition, when we talk about not just fighting over flows; however, flows have always been of primary importance. So I'm assuming that there are baseline flows that are, again, based upon the Bay-Delta accord and all of that that's in place.

So at some point, it would be nice to see that baseline and to know that the assumption is that whatever you're talking about is on top of that baseline.

DIRECTOR SNOW: Okay. If we could take -- well, we have a couple choices here.

One, we could do the summary by resource areas after lunch if you wanted to do public comment now.

CHAIRMAN MADIGAN: Let's keep going for a few minutes.

DIRECTOR SNOW: Okay. What we wanted to do now is kind of summarize by the four resource areas.

To remind you, a familiar graphic, a golden oldie, what we just talked about. We have strived to get as many actions in this area as possible. And I think that's of concern to some that

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maybe we're trying too hard in here and we're not going out and simply taking water away from somebody. That's an issue. But I want to make it clear this is what we have strived to be in, to find as many actions as we can that are two-fors or three-fors or whatever, to try to solve as many of the issues as we can.

So we want to go through by each of these four resource areas and give you a summary of how we think the pieces can come together. We're starting with water quality and Rick Woodard will kind of walk us through this.

MR. WOODARD: Sort of trying to stand back and look at the overall water-quality effects of this alternative is, I think, a way to look at what we're calling linkages.

Controlling mine drainage obviously is a direct means of affecting copper, for example. And I think it might be illustrative of a calm activity to talk a little bit more about copper.

Not only is it a prime source of toxicity in the river, but it also is a problem in drinking water. There's a new copper regulation and although I don't think that copper levels in the river are such as to cause those regulations to be

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exceeded, it is a problem particularly in the Bay area because the waste water treatment plants wind up having to worry very much about their copper concentrations and the discharges -- excuse me. My voice isn't working very well today.

The bottom line is, I think, taking an action like this would have effects that go far downstream of the obvious. Likewise, being able to have water available to release during low-flow periods has a potential real benefit to water quality because when flows are low, you're going to tend to have higher toxicities, tend to have more water-quality problems.

So taking a little bit of water off of the very high peaks and being able to furnish it at a time when its low flow is going to make for very marked improvements in water quality during low-flow periods.

The alternative example that we're looking at here would involve some use or reuse of dredge materials, well done that the reuse of dredge materials should provide considerable opportunity for reducing salts, metals and other agents that might be associated with those sediments.

Dick? I guess there is another slide

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here.

MR. DANIEL: I have no idea where it is.

I'm going to talk just a little bit about the linkages between improving levees and their integrity and other beneficial uses of the system.

We've talked a lot about the opportunities associated with levee improvements to create land and water side berms to improve habitat.

Obviously strengthening the levees in the Delta would increase the reliability of the water supply, catastrophic upset in the levees in the Delta could reduce Delta water supplies and water supplies exported from the Delta for a long period of time. And improving these levees will result in substantial flood-control benefits.

With regard to subsidence control and lands-use changes, that can improve water quality, particularly the issue regarding organic carbon. Over time reducing subsidence and perhaps reversing the process can improve flood control in the Delta and it can improve available water well life fisheries habitat.

This last bullet, I think I'm being punished because I took the day off yesterday, this is not watershed management, this is effective reuse

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of dredge material. So the heading on there is incorrect.

That would provide cost-effective means for taking care of the very large volumes of material that are currently dredged from San Francisco Bay and some of the river channels leading into the Delta.

That material could be used very beneficially to improve the Delta levees, to strengthen them up. It's a good source of material for that. The dredging program increases channel capacities for flood control and navigation and can improve the ability to move water through the system.

I think the next one, some obvious linkages associated with restoring the ecosystem health. I did this in terms of conflicts. An awful lot of the reason why we're here today, an awful lot of the reason why we're into this program is because of conflicts that have been identified between the maintenance of ecosystem health, the Endangered Species Act, and water supplied diversions, water transfers and other water operations.

If we can recover this system, if we could deal with the endangered species concern, it could quite probably increase the reliability of the amount of water that is currently being diverted from

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the Delta. It could dramatically increase the opportunities for water transfers for the marked exchange of water and its subsequent export from the delta.

We have conflicts over levee maintenance in the Delta right now.

Because there is so little wildlife habitat, because there is so little waterside fisheries habitat, there are constant regulatory fights over the maintenance of levees in the Delta. We hope to overcome that. And there are current conflicts over land use because we're trying eke out habitat in association with existing agricultural and urban land uses. If we can build up a habitat base for these species of concern, those conflicts will be reduced.

That's all I have.

CHAIRMAN MADIGAN: Richard.

COUNCIL MEMBER IZMURIAN: Can you discuss any possible linkages with entrainment issues. Screens will probably be successful on some species, but certainly not with eggs and larvae. Were any of those entrainment issues thought about in developing these linkages?

MR. DANIEL: Entrainment in the Delta is

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a very serious problem. We will be able to screen many of the life stages and many of the species that are currently lost to entrainment in the Delta. Others we can not.

A linkage here is that if there is additional storage south of the Delta off-aqueduct I think is what we're calling it, if there's additional storage north of the Delta, that creates operational flexibility that doesn't exist today. That creates an opportunity to curtail exports during periods of time when you have a critical life stage of an important species vulnerable to entrainment that you can't otherwise screen. That's the best example of a linkage, particular linkage I can offer you. It's operational flexibility.

CHAIRMAN MADIGAN: Pietro?

COUNCIL MEMBER PARRAVANO: Thank you.

I noticed that you used the words "reuse of dredge material." Does that indicate it was used for something else or are the words "the use of dredge material"?

MR. DANIEL: At the present time, a good deal of the material that is dredged from San Francisco Bay, the material that's been coming down the system for a couple of hundred years and

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accumulating in San Francisco Bay, is either being redistributed in locations within the bay and, frankly, the currents and tides move it back to where they didn't want it in the first place, or it's being hauled off shore and being discharged off shore to get rid of it.

That's material that naturally, naturally would have built up the levees, the natural levees, the natural berms in the Delta and around San Francisco Bay. Because we have altered the hydrology of the system, because we altered the morphology of the system, it isn't rebuilding anything upstream over time and gradually. And artificially we're talking about reproducing that process where natural berms, natural levees, shoals, they are very important to aquatic habitat, are constructed by barge as opposed to flow, as opposed to changes and flow velocities.

There are some problems with reusing that material because of toxicants that have accumulated in San Francisco Bay and because of the salinity of those materials. And those problems can be overcome and we're working hard to do that.

CHAIRMAN MADIGAN: The word you were looking for is "use."

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Ann?

COUNCIL MEMBER NOTTHOFF: I just have a baseline question again. You reference in both of these examples, you have Iron Mountain source control and also dredge spoil reuse. Both of those projects, I assume, are in various stages of either proposal or permitting or ongoing.

I mean, how are you -- are you only incorporating things that have been permitted and are going forward as baseline or would we be using the CALFED process as a way of feeding into the decision-making process that's occurring separately? Like how and where we use dredge spoils from San Francisco Bay, that isn't a completely settled issue. Is CALFED -- is it your envision that we would use a CALFED recommendation to weigh in one side or the other on those decisions?

DIRECTOR SNOW: I guess a short answer is yes. There are currently clean, and I think we can get consensus, clean dredge materials that are disposed of where they provide no beneficial reuse.

We need those materials for the ecosystem restoration program, if nothing else. If we don't have access to materials, the cost of the ecosystem restoration program does nothing but go up.

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So we have already expressed within CALFED as CALFED that this is an issue that needs to be dealt with, the beneficial reuse of dredge materials, and expressed that to the corps. So that's an issue we intend to push forward because we need those materials.

We're not talking about pushing the envelope in terms of bringing risky materials in. We just want to make sure that we have access to the materials we can implement the program with.

Just to follow-up on the one example --

MR. DANIEL: I'll expand on that example just a little bit.

The Corps Of Engineers works with the Port of Stockton to dredge Stockton ship channel, which is the San Joaquin River on a regular basis.

Much of that material is deposited on land-side islands because it's less expensive than depositing it in a shallow shoals and creating habitat. A CALFED action could very well be providing differential dollars to use that material to rebuild habitat as opposed to storing it on the land.

That's a very straightforward and very simple example. Something I would like to see done

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tomorrow as opposed to two years from now.

CHAIRMAN MADIGAN: Do you have one more?

DIRECTOR SNOW: Go ahead, Steve.

MR. YAEGER: Just to summarize the water-use efficiency resource area. The linkage between efficiency on the urban side and ag side and recycling and water supply reliability is pretty self-evident.

With respect to water quality and ecosystem restoration, of course, the water-use efficiency measures will help reduce the demand on the Delta and improve water quality and improve with ecosystem restoration. Water transfers and conjunctive use are linked water-use efficiencies within the overall water-management picture to the extent that you can increase the reliability of your average supplies and shore up your drought supply through the water-use efficiency measures, of course, makes more effective use of conjunctive management and water transfers within the larger picture.

Water supply reliability resource area, improving the water supply reliability through all these measures, including efficiency and surface storage and conjunctive management of ground water provides benefits for water quality for all users as

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for urban users, for agricultural users and for the ecosystem.

As I had earlier, facilitates water transfers, produces higher reliability and greater predictability for all uses of -- beneficial uses of water in the system. It can provide enhanced fisheries flows, as we demonstrated in the earlier hydrographs, and really produces a larger system flexibility to deal with all of these issues and to increase water-supply opportunities.

So I think that completes our summary of the linkages. And if you want to entertain some questions at this point, I'll be glad to.

DIRECTOR SNOW: What I would suggest is that we wanted to end this discussion with the assurances because even if everybody in here believed that you could technically do all this, the question is: How do I know you will in ten years hence?

Since we scheduled this item for after lunch also, I suggest that's where we start after lunch. I know there are members of the public here that are interested in making comments.

CHAIRMAN MADIGAN: All right. If that's acceptable, that's what we will do.

Ladies and gentlemen, I have five cards

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here of people who wish to be heard on, subjects not otherwise being discussed today. I will call on you now. At the end of those public comments, we will adjourn for lunch. For members of the BDAC there will be some sort of a buffet, I understand, set up in the back, and we can utilize the tables here.

It is now almost noon. So we should try to reassemble at 1:00 o'clock.

All right. I have five speaker cards the first of which is Maryann Dickinson from Met.

Good morning.

MS DICKINSON: Good morning. Good morning, Mr. Chairman, members of the committee. Welcome to Southern California. Sorry our weather hasn't been more hospitable. But I guess it's more like what you're used to.

I will only take a few minutes. What I would like to do is just talk with you a little bit about Southern California's Public Outreach effort on Bay-Delta issues.

And the reason we wanted to do this today is to just let you know that we are firmly committed to working closely with you and the CALFED staff in the development of the alternative and in the discussion of that alternative in Southern

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California.

When Proposition 204 went on the ballot, we found that most of the electorate in our service area was very unfamiliar with Bay-Delta issues and why it was important and why it was even on the ballet.

So we undertook a certain amount of effort to work with our member agencies and to get out into our service area and talk quite a bit about it.

This one map here, our measles map, shows you with a dot configuration approximately 500 events that we had throughout our service area over the past eight months to inform the public and educate the public on Bay-Delta issues. Two hundred and fifty of those were actual speaking engagements where we went out and spoke to community organizations, church groups, any entity that would have us come out and talk about Bay-Delta issues.

We also spent quite a bit of time working cooperatively with the clearing house on a Bay-Delta web site which is up and running at www.BayDelta.Org, and we also spent some time with the local officials of the League of Cities conference in October and had them sign a map that we

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wanted to show you, indicated the strong support for the ongoing CALFED discussions.

Just to close, we wanted to extend to you our offer to work very closely with you over the next year on any public outreach efforts that you might want to undertake on the final CALFED solution and to just assure you that we are very committed to helping this process work.

And, again, welcome to Southern California.

CHAIRMAN MADIGAN: Thank you very much, Mary Ann. I appreciate your being here today and making that presentation and your efforts on Prop 204. And, Jim, thank you for being here today. I know that Jack's meeting is today and he couldn't be here. I appreciate your showing up and carrying the message on all of this.

Robert Bein from Southern California Water Committee.

MR. BEIN: Good morning.

CHAIRMAN MADIGAN: Good morning.

MR. BEIN: Thank you for the opportunity to speak. I am Robert Bein and I'm a CEO Robert Bein, William Frost and Associates. And I'm here this morning as spokesman for the Southern California

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Water Committee for a service secretary.

My address is Irvine, Orange County, California. And I represent the business community of Orange County on the Southern California Water Committee Board of Directors.

I would like to submit a letter, a formal letter from our chairman this morning as our formal written testimony for this hearing as well as several letters from our members that I will submit as well, in addition to my verbal testimony here.

Although all of the alternatives appear to contain the basic elements of success, they are at this time so conceptual, as we all can see in nature, that it is not possible to definitively evaluate them either as comparative solutions or as to their individual ability to meet the water-supply requirements of Southern California.

These water-supply requirements are essential to an acceptable solution to Southern California. And they constitute the stability legs of a three-legged stool: Affordability, reliability and timeliness.

It is well-known that Southern California has a dry, warm and sunny climate. This is one of the major attributes that draws the large

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and increasingly larger population to our area.

It is also well-known that California is one state with a connected and co-dependent economic population. We may be twin areas of differing philosophies from the north and south of the state, but we are economically connected and I believe that makes us Siamese twins.

It is also well-known that a majority of the state's population are located in Southern California. And it is also well-known that a significant amount of the economic output of the business, industry and agriculture of the state originates in Southern California.

It is also well-known in Southern California, at least, that the future wellbeing of the state's economic health rests squarely on the shoulders of affordable, reliable and timely water supply.

The lifeblood of Southern California is water.

It is a documented fact that businesses and agriculture and agricultural enterprises have left the state and/or decided to locate elsewhere rather than in this state solely on the lack of an affordable reliable and timely water supply in the

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State of California.

Therefore, the Southern California Water Committee would like to offer the following specific observations on the study and particularly on what we are looking for in Phase II.

One, Phase II must provide an in-depth cost-benefit comparison so that reviewers of the alternatives are not like blind people, asked to surround an elephant and describe what they think it is.

Two, Phase II must clearly define the maximum and minimum water-supply potential of each alternative.

Three, Phase II must clearly state the reliability of the water supply to each user entity under all controlling scenarios.

Four, Phase II must clearly state quality of the water supply resulting from each alternative.

Five, Phase II must address water transfer requirements that are impediments to a reliable water supply.

Six, Phase II must clearly define the financing plans for each alternative.

Seven, Phase II must carefully analyze

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and define the cost of existing as well as proposed infrastructure and assign all new costs based on who is receiving additional benefits. If one entity pays more, it should have greater water-supply reliability.

And eight and finally, the original schedule of the CALFED Bay-Delta Program must be met.

The Southern California Water Committee strongly requests that you carry out your state and federal mandate to craft an affordable, reliable, environmentally-sound solution in accordance with the originally agreed upon mandate and schedule.

Your failure to carry out your charge on schedule will cause critical damage to our state's already-struggling economy. You cannot delay to act and you must not fail to solve either the environmental concerns of the Bay-Delta or the water-supply needs of Southern California or you will fail the over 30 million people of our state who are depending on you for the health of our economy.

Thank you for the opportunity to speak.

CHAIRMAN MADIGAN: Thank you, Mr. Bein. Thanks to the Water Committee as well for your work on Prop 204. Your efforts and name clearly made a difference. Thank you.

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David McKinley.

MR. MCKINLEY: Hello, I'm David McKinley. I'm the environmental manager at the NutraSweet Kelco Company in San Diego. We're an participant in the Southern California Water Committee represented by my boss Steve Zapatisne who sent me out on the freeway this morning to come up here. I made it. It wasn't easy.

CHAIRMAN MADIGAN: Would you like us to talk to him on your behalf?

MR. MCKINLEY: He's a fantastic guy. You can talk to him any time you want.

This is my message, my simple message to the BDAC: Don't forget a reliable water supply for Southern California business. Reliable is what we need. Of course, cost-effective, of course, good quality and, of course, soon.

We are encouraged by BDAC's progress, but don't forget reliable water supply for Southern California. We have some specific ideas about what BDAC needs to do to assure this.

First, it's time to break the conceptual alternatives that we see presented this morning into projects. We need project-level definition before we can really understand the cost and water-supply

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benefits associated with the three alternatives.

Second, once we have the projects identified, make sure the water-supply improvements for Southern California of each alternative are clearly identified.

The Southern California Water Committee and NutraSweet Kelco have strong concerns about long-term supplies to meet the demands in the southern counties.

As a Business, we cannot not make long-term commitments that may include expansions unless we have this continued uncertainty about reliable water supply in the south resolved.

We're part of a larger corporation and a larger industry. We have competition, both inside of our corporation and outside, and a lot of this competition are in places like Missouri and Illinois where water just isn't that big a problem for them. And this is always an issue in the boardrooms where deciding where to have facilities, where to expand facilities.

We would like to see -- we would like to stay in San Diego and we would like to expand there. I don't think it will happen unless we can be assured of reliable water supply.

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And this is not just my company. We are just one of many companies in the same boat.

The next thing I would like to say is keep the project going. Don't slip the schedule. These decisions are being made every day, and the sooner we get to the resolution, the better it will be for everybody.

There is an urgency to complete the program. We would like to suggest that projects that are common to all three alternatives be implemented as soon as possible, even maybe before the final alternative is selected.

We are an employer of 650 people in San Diego. Our average hourly wage is $24 per hour. Our total economic impact is estimated by Economic Development Corporation at $250 million. We would like to stay in San Diego.

Water is the lifeblood of our operation just as Bob referred to for his locale. Reliable water at a usable quality and cost effective are necessary for us to continue where we are.

Thank you.

CHAIRMAN MADIGAN: Thank you, sir.

Jim Wickser from L.A. DWP.

MR. WICKSER: Good afternoon. Thank you for allowing me to speak.

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Needless to say, I was in great shock when Lester surprised me by saying that he wasn't going to take care of all my water needs for the next fifty years.

Actually, I am Jim Wickser. I'm the assistant general manager responsible for the water system for the City of Los Angeles. In my role, we are to provide high-quality water to 3.6 million people within the city limits of Los Angeles.

We have our own sources of water, as you may know, but we're also very dependent on buying supplemental water from Metropolitan Water District.

In 1991, our aqueduct system was very dry because of the lack of snow pack. That year we bought over 60 percent of our needs from the Metropolitan Water District. Approximately 250,000 acre feet that year came from the Delta.

With that as background, I'm not here to speak on water supply as everybody else, but L. A. has great concerns about the urban water-quality issues.

Now, I realize in your problem and objective statement for water quality, you acknowledge that and you have some goals and

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statements there, but I really wanted to emphasize from an urban standpoint the substance and significance of water quality.

Los Angeles will spend about half a billion dollars in the near future just to comply with the surface water treatment rule.

We know the disinfection byproduct rules are coming down the pipeline. We don't know what they are going to be in the final phase, but even in the next phase offers problems.

We experienced during the early nineties, when we were getting a lot of state project water, that we were not able to meet the THM standard on a consistent basis, and certainly not the next tier of it.

We don't know what that will cost us in the future to meet those water-quality regulations. We know that other regs are coming down the pipeline that are going to cost more and more money for the urban agencies.

Los Angeles, like most large urban areas, is not one of affluence, but is actually one of a large minority base, substantial lower-income people now living within Los Angeles and is struggling financially.

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I guess our message to you is please do not underestimate the importance of urban water quality. Please do not think you can solve these problems by just adding something more in the treatment train.

We're not sure if the technology is there to deal with all the treatment issues. We certainly don't think there's money there to deal with it.

I guess my view is that if this process is going to be successful, it is critical that it really address the water-quality needs of the urban sector and that you should strive to end up with as high a quality water leaving the Delta as is feasible.

Thank you very much.

CHAIRMAN MADIGAN: Thank you, Jim.

MR. GRAFF: Can I ask a question?

CHAIRMAN MADIGAN: Sure, Tom. Go ahead.

COUNCIL MEMBER GRAFF: Jim, you just made it sound like there were problems with Bay-Delta water quality currently and you wanted it improved. There seems to be a disconnect at least sometimes between interests in Southern California who worry about Bay-Delta water quality and interests in

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Southern California who worry about Colorado water quality.

Can you give us a little more insight on that?

MR. WICKSER: The biggest problem with Bay-Delta water quality is the organic precursors and the Bromide/Bromate issue.

The disinfection byproducts associated with chlorination of organic matter, creating THM's. Even though our treatment plan is state-of-the-art, and frequently when we get state project water, we get raw water and treat it in our own plant. We use ozone as a pretreatment, but we do chlorinate our system. So the THM issue is different than the Colorado. Colorado is a solemnity issue, but not the disinfection byproduct issue.

CHAIRMAN MADIGAN: Okay. Thank you.

MR. WICKSER: We don't agree?

COUNCIL MEMBER GRAFF: I agree. One of the things that struck me earlier in the day when Lester put up his three boxes, the lowest point that the lowest box came was the Tehachapis.

We're meeting in Southern California and there are big issues in Southern California about where water here is going to come from.

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I've been arguing throughout this process that we need more attention paid to both the quantity and quality issues down here.

I just wanted to bring out a little more of what those might be.

MR. WICKSER: Thank you, Tom.

CHAIRMAN MADIGAN: Mr. Petry?

MR. PETRY: I'll try to be as brief as I can, Mr. Madigan. I think the Wall Street Journal answered your question as to what side was on when I wore this T shirt. And I take it I think they were pretty direct to the fact.

As far as water quality concern in Los Angeles in Southern California is one thing, but what I would like to do is see the CALFED members have a meeting in Fresno and invite the people from Southern California to Fresno and ask the people in Fresno if they want to give their water up. And you talk about the population of Southern California. Yes, there is a vast population in Southern California. A lot of voting power. But you take the central valley, you take the Sacramento Delta area, you take Sacramento, you take San Francisco Bay area, you take the east side, the west side, put them together, you have a lot of voting power there, too.

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CHAIRMAN MADIGAN: I thought you were going deal with the line, "Take my Sacrament, please."

MR. PETRY: As far as water quality is concerned in Mendota, I invite anyone from Southern California to come to see Mendota and drink some of our water because we're short of water in our area. And I don't think we can sacrifice any water in our area for Southern California or anyplace else.

Thank you.

CHAIRMAN MADIGAN: Thank you, Mr. Petry.

CHAIRMAN MADIGAN: All right. Ladies and gentlemen, that completes the list I have of speaker cards for this morning. We will be in ajournment here for a while and have lunch.

The stuff is in the back for BDAC. Let's try to be back at 1:00 o'clock.

Thank you.

(Lunch recess.)

DIRECTOR SNOW: Okay. What I want to do here is kind of wrap up this part with some discussion about assurances.

I think I want to maybe start first by simply kind of reiterating the purpose of trying to do this is to show at least some glimpses of the

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bigger picture, how these things start to fit together. And probably the most important part of this today is to help us all identify what the hot issues are going to be coming up in the future, and maybe even help us identify the kinds of agenda items that we need January, March, April meetings that we've already scheduled. Because we don't want to be wasting your time. We want to make sure that we're kind of locking in on the big-picture issues that are going to be there for us.

Certainly one of them, as I mentioned this morning, is that even if we get everybody to agree on how you can technically use all these different actions, the question then becomes how do we know they are going to be implemented? How do we know they are going to be implemented properly and operated properly?

So I want to take a couple minutes and first to reiterate that we talked in some detail in these different areas, I want to remind, as I used this slide in the beginning, that overall regardless of the three areas we talked about, we have these issues. The water-use efficiency transfers, broader source control, assurances in finance.

I want to focus on assurances, kind of

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the challenge that Hap and Mary have. I want to start off with what assurances are.

I think first and foremost is simply to assure that the solution will be implemented as agreed. So that means that let's assume that we can come to the kind of technical agreement, that this package of actions and programs work and everybody is comfortable with them or at least comfortable enough that we want to try to go ahead and implement it. So the assurance issue is how do we know, in fact, it will be implemented?

Secondary in terms of assurances is how do we make sure there is a process that will properly address the unforeseen circumstances that will happen as you go about implementation, and to make sure that everything is being implemented and operated as it was agreed to.

So it's both kind of the assurance on how do we know it's all going to go forward, and then when adjustments are made, to deal with things that weren't apparent when we finished the plan. How do we know that those decisions will be proper.

So it may be useful, then, also to contrast by what assurances are not. Assurances the way we look at them, are not ironclad guarantees. In

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the sense that if your CD player breaks during the warranty period, you take it back and get a new CD player.

An assurance is just that. It's a reasonable assurance that that is going to happen the way that it's supposed to. I want to make this distinction so that people aren't confused that once you sign a document, then nothing can go wrong. If that were possible, this would be easy. And I don't think assurances are easy at all.

Assurances are not an opportunity to modify the solution. That as the solution came together, the programs, the actions, when they came together, you're not quite happy with them. So you adjust it through the assurance process. I don't think that's a solution for success.

I think the other issue is that assurances can't protect against anything that could ever happen in the future.

You put together a program that deals with levee stability, water quality. It does not guarantee that there's not going to be an earthquake that disrupts the system. It's means that you have a program that you're reasonably assured will deal with future catastrophes, but it doesn't mean that they

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are not going to happen.

How you develop assurances with the kinds of assurances, legal documents, congressional action, institutional modifications, are really going to vary based upon the program component that you're trying to assure and the relationship of that component to other components.

A couple examples that I think are fairly obvious, assurances that have been raised. One, that when you take a look at something like a water-storage facility, like we talked about this morning, once you agree that that's part of the package, how do you know that it will be permitted, funded, constructed and perhaps most importantly, operated as we agreed.

So even on an issue like that, you may have a whole different -- or a whole list or package of assurances that you need to make sure that they each take place the way they are supposed to.

Another kind of classic assurance issue relates to the issue of adaptive management. Once you agree that you can't fix it all now, you're depending on a process that will do some things, evaluate, make some modifications, you need to then assure that you have a secure funding to do those

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things so that once you decide you want to make modifications, you know the money is there to do that; that you have clearly articulated goals and objectives so you don't have a situation where adaptive management then actually ends up changing the objectives of the program; that you have sufficient authority to implement the actions.

If you have a program that's dependent on these actions being implemented, some of them as a result adaptive management and subsequent decisions, you have to make sure that the authority is there to make those decisions and implement those kinds of programs.

So those are some of the overarching issues that once we have a package that we can agree to, then we have to make sure that we have the set of assurances, whether they are legal, statutory, contract, whatever they are, or institutional, that you know you can deal with these issues and have a reasonable assurance it's going to get implemented and the kinds of benefits you felt were in the package will actually accrue.

So that's kind of an overview of the assurance issue. It's how we wanted to kind of end the discussion of the example that we presented this

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morning. And we'll be glad to respond to any questions.

Mary, did you want to add anything on assurances? No?

MR. MANTELL: Lester, if I could, I think at some point if this group or the subcommittee wanted to get into a little more understanding of this from a terrestrial context, this issue has really been dealt with quite thoroughly here in Southern California involving the National Community Conservation Program. And has broken a lot of new ground on this issue, particularly at the federal level in both originating the Deal Is A Deal Policy that Secretary Babbit put forth and then trying to actually put it in legally-binding contractual agreements between local governments, land owners, the conservation community, state and federal agencies.

So at some point, if either this group or the subcommittee, if we could pull together a small group of those people that have been involved to try to make that work down there to provide some lessons and some context, it may be applicable in this different setting.

CHAIRMAN MADIGAN: Yeah. Actually, I

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would agree with that. That might be very useful, Barry.

Okay. Are there other questions? Lester? Comments?

Members of the audience who wish to comment on the issue of integration and linkage?

Very good, Lester.

Next item on the agenda is an update on the ecosystem restoration targets. Mary.

COUNCIL MEMBER SELKIRK: I think I'm going to be standing up. Dick and I are going to do a little tag team on this today. What we would like to do is to provide you with an overview of the targets, first public targets workshop that was held this past Tuesday up in Sacramento to discuss some of the major outcomes of that workshop, some of the emerging policy issues that come out of that workshop.

And we're going to divide it somewhat between Dick providing you some overview of the content of the workshop itself, and then we will provide you with some summaries of the case studies that were presented to the members of the public and give you some idea of the kinds of public comment and questions that arose.

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I should also point out that in your packet today is the first -- well, the first, the second, the next working draft of the Ecosystem Restoration Program Plan. This, however, was not available until the afternoon of the workshop on Tuesday. So folks that came to the workshop really hadn't had an opportunity to take a look at it. Nonetheless, I think there were some very, very interesting discussions that took place.

Dick, do you want to start?

MR. DANIEL: Sure.

What we were doing at the workshop this past Tuesday was my effort to try and transition from the process orientation of developing the Ecosystem Restoration Program Plan into some of the technical aspects of things.

Lester started out a portion of the workshop by using this incredibly colorful overhead.

To point out some of the linkage in the process we are undertaking, to reach the ERPP, which is an uncomfortable acronym, which is the Ecosystem Restoration Program Plan.

We pointed out to folks that we constantly revisit the mission of the CALFED Bay-Delta program, which is in part to resource a

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healthy ecosystem.

The fact that together we have developed a major goal for the Ecosystem Restoration Program, and that is to recover riverine and wetland habitats and the species that they provide for; that they have a whole suite of objectives relative to habitat restoration.

And we're now in the process of developing what we call implementation objectives, and that's the how. From the implementation objectives, we develop targets and that's pretty much the how much. And in Phase III of our program we'll be coming up with very specific actions, which is the how much and the where relative to habitat restoration.

CHAIRMAN MADIGAN: Is the acronym intentional?

MR. DANIEL: The acronym is ERPP. That's sort of a wildlife sound.

Together all of these different components come together to give us our vision of the ecosystem restoration, the Ecosystem Restoration Plan itself is comprised of the targets and the actions that we're putting together, a program to monitor progress was we go along, a suite of indicators that

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we will use to measure progress and to publish the rate of progress that we're making.

Focused research, there are questions relative to ecosystem restoration that can only be answered by doing and observing.

And then this concept of adaptive management where all of this information, the data and the insight that we gather as we move along is refined and decisions are made as to whether or not we need to change or augment our implementation objectives, our targets and our actions over time.

That's how we started out the workshop. The workshop was focused on preparing people to work with us and help us develop these implementation objectives and targets.

We ask that stakeholders to pay attention to the way in which we're doing things, to provide us with recommendations or suggestions as to how to do them better.

We tried to explain, as I just did, how the restoration targets fit in to the overall plan. And we gave them some insight primarily through our mail-out packet, which I think all of us received, as to just exactly what these actions might be that come out. Although, again, I'll emphasize that's the

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product that we refine during Phase III both through our CEQA and NEPA compliance and evaluation. And as we get into various specific actions on the ground.

One of the things that we found necessary to do was to point out that through our BDAC ecosystem work group, we had concluded that there was no single methodology that could be used to identify these targets, but rather, at least three or hybrids of these three where we took a look of predisturbance conditions in the central valley and in the Delta where we look at the ecosystem processes and functions served by those processes in order to have a model or a blueprint to look at some of the things that we might be able to do directly through natural re-initiation of natural processes or in many cases, where we would have to come up with a surrogate for the natural process.

We talked about reference periods centering primarily on the period of time which is represented roughly by the late 1960s, early '70s when by and large people felt as though the system was in balance between the needs of society and the needs for fish and wildlife.

And finally, a third tool we've been using, is very straightforward, we diagnose a

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problem, develop a prescription for solving that problem. An example there would be something like fish screens.

It's pretty easy to diagnose the fact that in some of the unscreened diversions are taking a lot of the production that currently exists in the system, removing it from the system, the prescription is a fish screen.

Using these three methodologies, we provided people at the workshop first with a bit of a slide talk as to how we were looking at these. I tried to display through photographs various problems in the system, various opportunities in the system that we can look at by dealing with these three different methodologies.

And then later on in the day at the workshop, we provided them with specific examples of implementation objectives and targets that we had developed. And it was pretty well received.

One of the points that we found necessary to re-emphasize at the workshop was the fact that for all of the common programs and the alternatives in the CALFED/Bay-Delta Program, we identified a problem scope, which is the Delta, the legal Delta, and Suisun Bay and Marsh itself.

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However, we have been seeking solutions throughout the system. What you see on this map is our focused-study area, the area in which we believe most of the ecosystem solutions reside. But it also includes in the green area outside virtually the entire watershed of the central valley, Sacramento/San Joaquin valleys where some opportunities for some significant restoration both in the watershed and contribution of those watersheds to resolving problems that are manifested in the Delta that occur as well.

By and large, I would say that most of this material was pretty well received. And towards the end of the workshop we provided people with the handout material which is included in your packet. The intent of that was to get people started to provide some, in some cases, provocative suggestions as to what the targets might be, how we're going about doing it.

One of the things that we have emphasized is that we're sort of taking a multiple-disciplinary look at things in terms of ecosystem functions, various species or combinations of species in the guilds and habitat types. This produces a fair amount of duplication and

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considerable overlap at this point in the program. That's something that we acknowledge and, frankly, that we're looking for.

As we go through and refine our implementation objectives and targets, we can identify the overlap. And in an ecosystem approach, one would expect overlap.

What you do for Species A and what you do for Species B is very often the same, same result. So that we're not developing riparian habitat for guild of birds or food supply for suite of fishes, but rather building that back into the ecosystem and the overlapping benefits occur.

Additionally, by going through this process, we can find some areas where we may have duplicated our efforts. Very often in single-species management when you're looking at several different species, you might be implementing restoration efforts for Species A and independently for Species B, and you find out that you have overlapped, and you don't need to do quite as much in order to accomplish the benefit that you see.

Again, I think people understood that.

We sent people away with this handout packet and invited them to attend a series of five

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very focused technical meetings that we're going to be holding over about the next forty-five days or so. We hope to get attendance at those meetings primarily by technicians, by field experts who have been working in the watersheds throughout the system, who can bring their knowledge, their experience and hopefully their data into the program and enhance our efforts to put together those targets.

Mary, do you want to go on?

COUNCIL MEMBER SELKIRK: I just wanted to spend a few minutes to give you some idea about the two guest speakers who presented their projects that they were working on and two very distinctly different geographic areas of the U.S. with very, very complex environmental problems that they are attempting to work on.

And I have to say just one of the major outcomes in my view of these presentations was that the comments that both of these speakers had, despite the fact that they are dealing with very different geographic scope, very different kinds of environmental restoration projects, that the themes that they emphasize in terms of how to deal with very complex environmental problems, how to invite sustained public participation was really pretty --

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in fact, very consistent with what CALFED is trying to accomplish.

So just briefly, we had a presenter Dave Fruge from Louisiana who is in the Departments of the Interior, fish and wildlife, I believe. He's been active on these very large effort to basically stem the loss of thousands of acres of wetlands in the Louisiana Delta. And the second speaker was a woman named Karen Holland who is with the EPA in Chicago who is working on the Great Lakes restoration project.

Both of them gave us pretty detailed explanations and descriptions of the public process that they've gone through, how they have achieved consensus on various aspects of their respective programs.

I just wanted to highlight some of the points I think that they drove home.

Karen Holland actually ended her talk with some caveats that I thought were as applicable to her situation as they are to ours here in California. What was interesting was that they both had very similar solution principles similar to CALFED that called upon the use of extensive multiple stakeholder and public participation.

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Karen Holland's list of the successive requirements included things don't happen without trust between people, not between organizations.

Secondly, you have to work with several geographic levels simultaneously to achieve true restoration and ecosystem restoration; that the program needs to have a common vision for the ecosystem and common environmental goals and indicators of health. Just in case you feel like we're the only ones that are sweating over this, they are sweating over this in other parts of the U.S.

That partnerships must be real. It's incumbent upon the program to identify community leaders and these leaders must be willing to be flexible in finding solutions. You have to have a balance between doing and researching, which I think is the fundamentals of our adaptive management strategy.

There has to be accountability to future generations.

I thought it was a very interesting summary of what I think we are trying to accomplish here at CALFED as well. There were some very cogent comments that came from both the audience both in public comments and questions and answers of the

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speakers. For example, one of the requests from members of the public was that CALFED must more clearly identify the suite of success indicators to measure whether we're getting progress toward achieving the program goals.

Also, that there needs to be a better linkage demonstrated through the documentation of this process between specific objectives and the targets and actions that are designated to accomplish those objectives.

CALFED needs to clarify which targets provide more than one benefit. And that overall that CALFED should initially establish a restoration program that maximizes restoration efforts rather than minimizes, which I think we all can agree with.

I just wanted to point out some of the other policy issues that arose, some of which I think are more specific to the restoration work group than they are to BDAC. I wanted to mention both of them for you.

I think there were some specific comments for the work group regarding what kind -- the integration of existing water foul restoration plans existing, restoration plans that BDAC or CALFED is trying to integrate.

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There was concern expressed that there should be some increased discussion on how title marshland can make a contribution to aquatic organisms habitat.

There was also some concern expressed about the solution, the geographic scope of the solution area. Both questions regarding why the upper San Joaquin was left out and also why the San Francisco Bay was not included. And I think Dick actually spoke to that at the workshop.

Do you want to follow-up on that?

MR. DANIEL: It's one of the toughest questions. With regard to San Francisco Bay, I've been trying to emphasize the fact that we perceive the CALFED Bay-Delta program in general and the ecosystem restoration component specifically as being sort of an umbrella under which eventually many, many pre-existing ecosystem restoration or habitat restoration or species-specific restoration programs will be embraced and incorporated.

Examples of that Central Valley Project Improvement Act, and we talked about that here. The San Francisco Estuary Program and its program to establish goals for restoration and title wetlands around San Francisco Bay.

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We mentioned -- I think we mentioned today the SB-1086, which is the upper Sacramento River Riparian and Fisheries Restoration Program.

Alex brought up the San Joaquin River Management Program, shrimp and some of the work that they've done, we're incorporating that into the ecosystem restoration program.

The phrase I like to use is trying to remove the seams. We artificially established some seams between the Delta and the Bay. We previously established some seams between the upper Sacramento river and the Delta. Our effort is to try to remove that.

With regard to the San Joaquin River, the main stem San Joaquin below Friant, I'm not sure it's possible with today's societal needs to restore the main stem San Joaquin to a river that would support its historic runs of salmon.

I say that with some knowledge. I worked on that problem for quite a few years. Amongst the things that we would have to recognize is the San Joaquin River and it's tributaries naturally supported spring-run chinook salmon, a fish which I emphasized in the workshop the other day requires access to head-water streams where temperatures are

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cool all summer long because the adult fish reside in these head water streams all summer long.

Access to those streams in many cases, in virtually every case on the San Joaquin system and because of Friant Damn has been irretrievably lost. You can't get enough water cool enough below Friant Damn to restore spring-run chinook salmon.

We have been successful on some of the tributaries of the San Joaquin River and establishing a fall run population, which does not reside in the parent river over the summer. We've had considerable success on the major tributaries of the San Joaquin.

Another thing I looked at professionally is what it takes, what it would take to support a natural spawning run of fall-run fish on the main stem San Joaquin River. I concluded using what is now old, but pretty good data, that it would take about 600 thousand acre feet of water to focus specifically on the life cycle needs of fall-run chinook salmon to get a naturally reproducing population of fish below Friant Damn. And that presumes that you could bring back the gravel that was exported out of the lower San Joaquin River in the 1960s to build our interstate highway system.

I think the yield of the Friant project

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is somewhat less than 500,000 acre feet. I think it's an impossibility. And frankly, it's a bitter loss for every biologist in the State of California. But Congress made the decision to build Friant Damn and to develop agricultural with that water. And they did so with full knowledge of what it was going to do to the salmon run of the San Joaquin River.

That's the only answer I can offer you. If we ever go in and blowup Friant Damn, I would be happy to be there and take a piece of it home. I don't think that's going happen.

CHAIRMAN MADIGAN: Mary, you raised a couple of fairly major issues. Did you want to see if there were questions at this point or go on?

COUNCIL MEMBER SELKIRK: Sure. I have several others, but if there are comments or questions.

Hap, Roberta, then Ann.

COUNCIL MEMBER DUNNING: I was wondering, Mary, how the restoration round table fits into what you're doing?

COUNCIL MEMBER SELKIRK: Do you want to respond to that, Lester? I did go to the first meeting, but I think that's a good question.

DIRECTOR SNOW: Yeah, I think that --

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let me start with the Ecosystem Restoration Program. Our objective there is to come up with the long-term vision and the long-term actions so that we end up with a healthy ecosystem twenty years hence, twenty-five years hence.

It's the long-term strategy that we have previously estimated the cost as somewhere around $1.6 billion invested over a long period of time.

The ecosystem round table has the very specific responsibility of taking the goals, objectives, targets, that kind of information that's kind of a work in progress from the CALFED Ecosystem Restoration Program and turn that into a short-term priority process for distributing monies such as Category 3 and other existing ecosystem restoration monies or programs into projects in the near term.

And so it's a way to get early implementation of some of the vision that Dick has talked about.

So it's a very specific development of process, criteria to distribute monies, literally starting in June and July of next year.

COUNCIL MEMBER SELKIRK: I would say also in response, Hap, that the work group is going to continue to meet and with the whole series of

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upcoming technical workshops specifically on targets, I think that the agenda for the work group itself will be really pretty technical in nature; that the larger policy implications will be identified, but I think that the major discussion, that's something we may want to discuss here, really belongs here; that the work group will be, I would say, very busy with trying to digest and revise and make contributions to the development of the restoration plan.

Roberta, did you want to add something?

COUNCIL MEMBER BORGONOVO: I thought you summarized the concerns very well, but I wanted to go back over a couple of the things you mentioned. And that is that first of all, we talked about the geographical scope. So since you intend to have the geographical scope larger than what shows up on the map, it would be nice if the map reflected that because I think that question will continue to arise.

And, again, I think you mentioned that there are several other programs in place and that you are attempting to integrate them or certainly coordinate those efforts. But, again, when you start to have the very specific targets, it would be nice if we could see all of those different components integrated into those targets so we get an overall

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picture.

And lastly, the idea of how you arrived at the targets, you have gone over the three methods, but it would be nice in your definition of how you arrived at the targets, are you using an historical perspective? Are you using a percentage of the ecosystem functions being restored so that we have an idea if the vision of the ecosystem really does what Mary expressed and was expressed at the workshop. We erred on the side of doing too much rather than too little.

MR. DANIEL: Thank you. That was a comment that came out. We intend to document the rational behind the objectives and the targets. We intend to identify where we got the notion that we need X acres or Y CFS.

In some cases, that will be data-driven, and in some cases that will be the result of considerable amount of research and effort. In other cases, it will be simply stated that this looks like it would be enough of this particular action to measure the results and figure out how much we need to do. Frankly there is enough uncertainty in some of the activities that we are doing that will simply be a practical, perhaps common sense approach to

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doing something, observing the results, and then modifying it through adaptive management.

I feel comfortable that we'll be able to incorporate enough into the targets such that we can result a very comprehensive ecosystem restoration program.

COUNCIL MEMBER SELKIRK: I think one of the principal tasks of the worker is going to be to assist the CALFED staff in integrating all of the existing work that's been done and coming up with a doable -- I won't say affordable, but doable, technically doable restoration effort.

Annie, did you have a comment, and Marsha.

COUNCIL MEMBER BROCKBANK: I just wanted to support what Roberta just said regarding a cumulative -- I would actually like to see some sort of a matrix so that we have an understanding of how many thousands of wetlands are being restored and how many miles of riparian stream are being restored. I know it may be difficult, but it would be very helpful overall.

MR. DANIEL: A little bit of clarification for me. Are you talking about a matrix that describes all of the existing ongoing actions or

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a matrix that describes the sum of our targets?

COUNCIL MEMBER BROCKBANK: The targets. I was referring to the targets.

COUNCIL MEMBER SELKIRK: Alex.

COUNCIL MEMBER HILDEBRAND: I'm not clear on how we're going to handle the adaptive management to change the plan, and we don't see a goal for some other reason. As we discussed this morning, we have to look at both the individual and cumulative impacts of our plan on other interests besides the particular component. And if we change the plan under the guise of adaptive management, how do we assure that we reappraise those impacts?

MR. DANIEL: I can respond to that.

COUNCIL MEMBER SELKIRK: Okay.

MR. DANIEL: We think it's essential for any major planning process, whether it's ecosystem or some other effort to establish a mission. We did that. To set a goal or a number of goals. And in our case, to set objectives in terms of what you want to accomplish. It is our plan that the objectives, the goal and the mission not change as a result of the adaptive management. Frankly, I think that might actually be an assurances issue, but rather, in many cases, perhaps not all, there are alternative ways,

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and I should mention we also want to see if we can set the implementation objectives in concrete before the program, what you want to accomplish.

With regard to the targets and actions, there are alternatives in many cases. There are uncertainties as to just how much you might need to accomplish. And most certainly there are secondary and direct impacts associated with these actions that need to be avoided wherever possible or mitigated if you can't avoid those impacts.

That's the stuff of the analysis that we're undertaking under NEPA and CEQA. And frankly, that's some of what we will learn as we go forward. And adaptive management can also involve avoiding impacts or identification of needs to mitigate impacts that we may have overlooked.

So the plan, I think, will be pretty well set. I think the plan, people will be able to get their hands around, they will be able to see the vision that we're pursuing. In terms of the specific actions, I don't know if we need screen every unscreened diversion in the Bay-Delta system, both in the upstream and in the Delta, in order to get the productivity that we're trying to recover.

COUNCIL MEMBER HILDEBRAND: The impacts,

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to whatever extent they occur, will come from the actions. If you change the actions based on some future decision, then, what is the assurance that those revised actions will not cause new impacts that you didn't ever assess?

MR. DANIEL: The law requires that if you do an environmental analysis of a given project, in this case, let's think of the ecosystem restoration program plan as a project. If you significantly alter that project, you are required to do a follow-up or a subsequent Environmental Impact Analysis.

We're still working at the problematic level down through targets. Once we get to actions, once we get to on the ground doing things, we will have to prepare site-specific environmental documentation. And in some cases, it might be as simple as a FONSI. In many cases, it will be a full-blown Environmental Impact Statement or Impact Report in order to support the documentation necessary to fully disclose the impacts and mitigate them as necessary.

COUNCIL MEMBER HILDEBRAND: As we indicated in the past, our experience has been that there's a tendency to go ahead with the actions on

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these things on the basis of a FONSI which really doesn't examine the impacts and then have a new FONSI and do something different. If you don't do a full environmental impact, you don't even have any assurance that the potentially-impacted parties are going to be notified of the potential impact. So in practice this is a concern that is a very real concern that we've run into currently in other arenas.

COUNCIL MEMBER SELKIRK: I think the point that you're raising is a very important one. It was one of the major comments at the workshop on Tuesday. In very general terms, I think this is emerging as a very major policy issue for BDAC, is how do we deal with what's going to be the impacts to ag lands in the Delta, for example. How are those impacts going to be addressed, assessed? How do we ensure that restoration adheres to the solution principles, not just in its initial form, but as it's derived and revised over the years?

I think those are really central, central issues that were spoken to at the workshop.

Other comments? I just had a few more that I wanted to share from the workshop. Any other comments?

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All right. Another issue that was raised that I think the restoration work group and certainly BDAC will have to be addressing is do we need flow targets? If so, what are they going to look like? How are they going to be incorporated into restoration? And how -- of course, this was also a subject of great interest for members of the public, how will long-term project funding decisions be made? And what kind of public participation will there be on into the future?

I think that Hap's question about the way the ecosystem round table is going to work speaks to that as well. I think we have some thinking through to do about how to ensure that there's consistent public participation over the next ten, fifteen, twenty years.

Those were some of the highlights from the work shop.

Did you want to add anything?

MR. DANIEL: A couple.

I mentioned sort of a universal need for the interested public, our stakeholders to understand the rational behind our implementation objectives and targets. The way we're developing these targets from a planning standpoint, we broke the solution area

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into the thirty-six individual units that have some ecological significance to each individual unit. We're developing those.

We'll be developing a vision for each one of those units. The North Delta Unit of the Deer Creek Unit, the San Joaquin, East San Joaquin, West Unit, et cetera.

The sum of all of those individuals visions become the vision for the overall program. I think people were receptive to that concept.

A couple of things that came out from the speakers, and I had the advantage of spending some independent time with each them to talk about the their programs and the lessons they have learned as their programs have gone along.

In the case of the Great Lakes Program, it's now fifteen to twenty years in existence, it's mature by our standards. They have learned a lot of lessons. One Mary pointed out was the need to work at all these different geographic levels, not only in terms of putting together your plan, but in terms of your outreach and stakeholder groups.

We're looking to rely a great deal on the local conservancies that have become established and are being established throughout the watershed as

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a means to get insight and quite possibly to be the vehicle for some of the assurances that we'll need to have, somebody to sign a contract with.

Another thing that both speakers emphasized to me was the notion that you have to get on with it. Through Category 3 funding and the ecosystem round table, we are getting on with some of this so we can demonstrate our sincere resolve to deal with these problems and perhaps disclose some of the difficulties in terms of land-use problems and conflicts like that.

Dave Fruge from Louisiana pointed out that they had run into a number of bottlenecks in implementation of their program, not just a classic regulatory problems that we are anticipating in trying to deal through a coordinated permitting process and implementation of the CALFED program, but also they made some assumptions on willing sellers and on willing access to land privately held to make some modifications. And this is the kind of concern that I hear in Alex's voice.

We're anticipating that through a program of easements and voluntary sales and fee title, that we can acquire the amount of land that we need to convert back to habitat.

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We haven't put up any "Please come to our house and sell your land" signs yet. I do have pretty good indications that there are willing sellers out there such that we can implement the program. It's particularly true when we talk about easements, which is the arena I would like to work in.

We don't have an assurance that the amount of land we need will be available at a price that we can pay and with impacts that we can tolerate.

So there are some uncertainties associated with that. We may find that we have to modify our targets simply on that basis.

COUNCIL MEMBER HILDEBRAND: Willing sellers often don't worry about what it does to other parties.

MR. DANIEL: That's true. We have a lot of experience in the water business in California with third-party impacts. I know that I'm cognizant of that, and it will be part of our impact analysis.

COUNCIL MEMBER SELKIRK: Can I just add one thing? I have to say that one of the major ripples of the presentation by Dave Fruge from Louisiana for me was the fact that he was describing

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to us a very comprehensive, relatively high-cost program, that as it currently operates, what it's doing is that it's basically stemming the rate of loss of wetlands in Louisiana. They are not even looking at -- they haven't anywhere near approached no net loss of wetlands.

What this project is doing is instead of 47,000 acres of wetlands disappearing every year because of loss of sedimentation in the Delta because of channelization of the river and other activities, they are managing through this effort to reduce it to only 12,000 acres of loss per year. So I am hopeful that we can do better.

Stu, did you have a comment?

COUNCIL MEMBER PYLE: I wanted to comment on one of the things that I brought up yesterday, and I think Dick's answers were very helpful to me in regard to whether the full considerations in restoration were being considered. They have in the description of targets those items that deal with flows for aquatic habitats, and Dick's response was that what we were dealing with here, I think this is right, maybe you can expand on it, set me right or clarify it again, Dick, is we're dealing here primarily with the terrestrial and water's edge

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habitats through which the programs are all talking about here, but there are other considerations in aquatic ecosystem restoration dealing with flows, releases of major projects, management of water supplies, timing in the Delta that are going to be the subject of model studies that will come along later.

That greatly clarified some of this for me. And I wonder if you could kind of expand on that. Plus the fact that when you were talking about the off-stream storage, how you envisioned that there would be specific amounts of water that would go into these projects, I think that's already been covered today. I thought those were two important points yesterday.

MR. DANIEL: The flow issue comes up very often and is very appropriate. We have been trying to manage the Delta ecosystem from a fisheries recovery standpoint for many, many years using only the tool of outflow.

A very important precept of the Ecosystem Restoration Program is the recognition and acknowledgment that the habitat, the complex land water interface that is very important to the survival and productivity of many of the species,

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maybe all of the species in the Delta has slipped away from us, not too rapidly, but it has slipped away from us over the last 100, 150 years. To continue to try to chase the habitat with flow just isn't going to work.

Instead of trying to bring enough flow so that the little bit of vegetation that remains on the levees gets wetted once in a while, why not go down the levee a ways and plant some vegetation so it gets wetted all the time.

Instead of trying to bring the flows up in the rivers in order to get the spawning gravel that's up in the higher elevation wet, let's take a bulldozer and push the spawning gravel down to where the water is.

That's not to say the in-stream flows and Delta outflows that we have today are fully adequate. We put up some hydrographs earlier that shows that California's climate is pretty tough on Delta outflow in critically dry years. And the competition for water during those time periods is pretty severe, and very often the fisheries in the past have suffered as a result of that.

A very important part of the Ecosystem Restoration Program, one that we haven't emphasized

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too much since we moved to a common program, but we did emphasize when we were talking about alternatives, remember we had modest, moderate, extensive habitat restoration.

In those alternatives that we were talking about this time last year, we had as much as 400,000 acre feet specifically developed and allocated to ecosystem restoration. Water that would be used at the discretion of a team of fisheries, biologists and project operators to fill in the gaps, to cover up the holes.

That's the way we've been emphasizing what we were going to do with flow. That would be over and above the existing regulations, the existing in-stream flow requirements, whether they have been developed by the State Board for water quality or water rights purposes or whether or not they have been imposed to the regulatory process of the Federal Energy Regulatory Commission.

I think 400,000 acre feet is a pretty good ballpark figure to fill in those gaps that we see right now. I'm not making any broad assumptions as to how the 800,000 acre feet is being debated under the Central Valley Improvement Act will be allocated in the future.

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It looks to us like we're in the ballpark in terms of the additional flow that we ought to develop, the additional acre feet that we ought to develop to try and deal with the problems of water supply.

We're looking at this through what we're calling time value of water. We're assessing differences in in-stream flow and Delta outflow from recent historical flows where we're assessing differences between what the regime that we have now and the flow regime that our species evolved on, which did include prolonged droughts.

We think we're getting some pretty good insight into that at the problematic level. And as we go on through adaptive management, we might well be making some experiments with Delta outflow or in-stream flow using the ecosystem water and assessing the results. And these are experiments that we've been foreclosed against doing in the past because we were using somebody else's water.

That's how we're looking at flow. I recognize and I think everybody on our team recognizes that we're not eliminating conflict by developing 400,000 acre feet or so for ecosystem use because there isn't that much water in the system

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such that this user can get this much and that user can develop that much. There just aren't that many reservoir sites and there isn't that much flow that can be safely diverted out of the system into off-stream storage. But we are looking for an independent approach to water supply for the ecosystem.

COUNCIL MEMBER GRAFF: My question is kind of on Hap's earlier question, and maybe this is premature, but I noticed in the agenda that Lester's next item is a ten-minute item only, and we're expecting Deputy Secretary Garamendi around that time.

The question I'm asking links you're item and the next one.

Prop 204's passage and the federal legislation's passage authorizing substantial federal money as well has created a situation where a lot of people, both the voters of California and legislators in Washington and others, I think have legitimate expectations of short-term substantial improvements in the Bay-Delta environmental system based on the expenditures of substantial public monies.

Do we really have a kind of method and an approach to meeting those expectations?

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MR. DANIEL: Do you want me to address that, Lester, or will I get into trouble?

DIRECTOR SNOW: I guess the short answer is yes, we do have a process, but there's a lot of work to be done. That's why we formed the ecosystem round table so that we can carry out that work. It's also why we hired a specific staff person to do this coordination effort, which is not only to decide how to spend monies that would be available by a bond issue that might past when we took this action and has subsequently passed, but also to coordinate the existing restoration activities to make sure that current restoration monies are being spent in a most efficient fashion as possible, and person is Cindy Darling.

So we have set up a separate process for the purpose of coordinating these activities and getting money on the ground now, and to do it in a fashion to have maximum consistency with the long-term program as it is developing.

So that process involves the round table membered by stakeholders working with CALFED staff to develop the specific objectives, priority-setting process, application process in full public scrutiny so that recommendations can be made back essentially

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to CALFED saying, "On these first monies you have available, here are the kinds of things that you should fund in 1997, and to do that with full public disclosure."

So we have a process set up to do it and it still has to unfold in front of us. But our idea is not just to look at the bond monies and potentially new funding, but it's also like creating a huge matrix of all the existing funding and seeing how we can pair the monies or package the different funding sources to get the most done in the shortest period of time, and do that consistent with our ecosystem strategy.

MR. DANIEL: I would like to supplement that just a little bit.

We know that there are a large number of causes of direct mortality to the species that we're worried about in the Delta system that are ongoing right now. Direct mortality results in the removal of the production of fish or wildlife or what have you from the system and its current state of productivity.

So it makes a lot of sense to go in and deal with direct mortality very early on in the program. And that's things like fish screens, things

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like cleaning up Iron Mountain Mine, which has the potential to kill virtually all of the fish in an important stretch of the Sacramento River. It's things like dealing with problems of temperature control below Shasta Reservoir. Other issues like that, that have been on the table for many, many, many years that have been studied and studied and studied, which have never been funded sufficiently to have large-scale implementation.

The other reality of the early parts of implementation of the program is the fact that we've got a whole handful of endangered species in the system for which recovery plans have been or are being developed. We need to get on with implementation of those recovery plans and the specific actions that they call for.

Those are things that week do in fairly short order. We'll have to go through the environmental documentation. We'll have to assess the impacts. We'll have to do a fair amount of design, if you will, but they can be implemented in fairly short order, and the public, the water-using community, the stakeholders in general should be able to see the results pretty quick.

COUNCIL MEMBER GRAFF: Yeah, in terms of

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the structure, I talked previously to Lester about this and I think the new program and the round table all makes sense.

Is there an equal commitment on the part of the CALFED agencies to this short-term opportunity in making sure it's grabbed in the most effective way as there is to this elaborate long-term process?

MR. DANIEL: I'll respond at a low level.

I've been working amongst the CALFED agencies for quite a long time now. I have never seen a level of expectation, anticipation and enthusiasm on the part of the working biologists equivalent to what I see now. Not only have they seen us go through this planning process that involved them as the technicians on the ground, but the stakeholders as well, but now with the passage of Proposition 204 and the expectation of some significant federal appropriations, they see the tools to go out and do what they wanted to do forever.

Perhaps somebody from CALFED management ought speak to the level of enthusiasm and support at the management level. I can tell you the biologists on the ground are ready to go.

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COUNCIL MEMBER HASSELTINE: Dick, I'm trying to relate some of what you said about the increased flow to some of the discussion we had this morning. I guess even at that, I'm not clear at all of 400,000 acre feet you talked relative to the 800,000 from CVPIA. I guess there are certain goals here in terms of increased flow that will eventually have to deal with realities of how much water is really there and available and how you can channel it to where you want it to go. That's sort of a separate issue.

But assuming there are some significant increased flows, this morning we were looking at the effects of some storage facilities and how much good we thought we could get out of the storage facilities.

It seems clear that storage facilities north of the Delta would be in conflict with the proposal for increased flows to a certain extent. I'm wondering if we are successful in achieving those increased flows, how much of those would be available for capture for storage south of the Delta afterwards?

MR. DANIEL: That's another component of our time value of water thing.

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First of all, if we left you the impression that we're thinking about retrieving water from the Sacramento system upstream to the Delta and putting in storage to the detriment of in-stream flows, that's incorrect.

What we're trying to figure out is under what circumstances, under what times of year and what locations is it environmentally sensitive to extract water from the system and put it into off-stream storage.

In addition to that, we're trying to find out those times of the year and under what circumstances or what preceding circumstances do you gain the most value from retrieving that water from storage or some of that water from storage and putting it back into the river system to augment flows that are depleted as a result of drought.

With regard to the Delta and exports from the Delta, we're trying to figure out what windows of opportunity exist for the use of the existing facilities to move water south of the Delta through the existing facilities, how we might shift operations around. The classic look is to shift operations in terms of volume of water exported per unit time from the spring towards the mid to late

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summer time period when it appears that it would be less damaging to do so. The flexibility concept in terms of Delta exports.

We have additional storage south of the Delta. There may well be substantial windows of opportunity during very high flow events where we can move water from the Delta south to storage and, thus, make it easier to forego pumping in the spring of the following year, that kind of a concept.

All of these linkages are very complex and we're just scratching the surface.

We've had some experience with operational flexibility in the past. Some examples are this year where as a result of population dynamics of Delta smelt and fall run of salmon on the San Joaquin side, we went to the project operators through the CALFED operations group and asked for reduced exports during last spring with the assurance that exports would be increased early this fall in order to make up that water. That operation is in terms of making up the water, is underway right now. There is an example of the flexibility.

There are some potential environmental impacts associated with increased pumping right now. They are being very closely monitored and agreements

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to deal with those potential impacts are in place.

COUNCIL MEMBER SELKIRK: Annie.

COUNCIL MEMBER NOTTHOFF: I guess I can't let that reference to the San Joaquin River go without question. And that is How are CVPIA's required fish doubling and AFRP in the San Joaquin River being addressed by the restoration targets?

MR. DANIEL: It's been some time since I've been real close to the CVPIA, but as I recollect, the main stem San Joaquin River above the mouth of the Merced is excluded from the AFRP goals expressed in the Central Valley Project Improvement Act.

As far as the overall mandate imposed on the Secretary of Interior to double anadromous fishery populations, we are embracing that concept, but doing so, and in what I think is a more biologically-sound manner.

The draft targets that we have for our anadromous fish generally talk about achieving the objective of a steady rate of increase in the population.

We feel that if we can reverse the decline and get to a point where each succeeding generation is more robust than it's predecessors,

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that eventually we'll get to the point where the system has reached what we call "carrying capacity."

Carrying capacity is essentially the number of pounds of fish or individuals that a system can support. Because these systems have been so heavily modified, I think it's impossible to predict what the carrying capacity is or could be, but rather, if we continue to monitor and deal with the problems, provide the habitat, deal with the stressors and all these sorts of things, if in the future thirty years from now we get to a point where our salmon populations in the Feather River are no longer increasing and reproducing themselves at a rate greater than one, we may have enough insight to declare victory and point out that we've reached the carrying capacity of the Feather River at some future number. I don't know if that's double or triple the populations that are projected in the CVPIA.

We think we're compatible with that, but rather than -- and I'm guilty for this -- rather than coming up with the popular target, double, which is very appealing to the public and understandable by the lay public, we're trying to back off and build some serious science into these targets.

COUNCIL MEMBER NOTTHOFF: If it was

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popular enough to get passed by Congress and signed into law, correct?

MR. DANIEL: Absolutely.

COUNCIL MEMBER DUNNING: Dick, you mentioned that you it might not be possible to restore anadromous fish flows below Friant. If I understood you, you estimated it might take as much as 600,000 acre feet annually to do that. Have you looked at other environmental values that might be achieved by more modest releases?

MR. DANIEL: I know that the shrimp program has. There are opportunities to restore a local trout fishery on the San Joaquin River from Friant Damn to roughly Highway 99. That's part of the concept for the San Joaquin River Parkway.

There certainly would be opportunities to improve some of the riparian vegetation again in that same general section.

There are difficulties associated with in-stream flow on the San Joaquin River, and many of those are physical. I don't know how many of you have heard about Gravelie Ford, which is a giant sieve in the river. It seems to be insatiable in terms of ground water recharge. It makes it very difficult to get flow through there. We could

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concrete line it or something like that and get flow further down.

The real practicality that I'm facing, and I think that we all face, is the fact that there are vested water rights to virtually all of the flow of the San Joaquin River trapped behind Friant Damn. The in-stream flow requirement for the San Joaquin River which once supported in excess of 100,000 spring-run chinook salmon, is thirty-five cubic feet per second. And I think it would take a massive effort to undue Friant Damn and to undo all the agriculture supported by that water.

So we're focusing our efforts on restoring the major tributaries to the San Joaquin River, and I think that's a wise investment.

COUNCIL MEMBER BORGONOVO: I just wanted to go back to both Annie and Hap's question, and that is that many of us supported the CVPIA and the study for restoring the upper San Joaquin was part of that. So unfortunately the interest group on the BEIS or the Central Valley Project Improvement Act was the same day as the restoration workshop. So I was not able to attend that.

It would seem important that until that question is settled in that arena, that it wouldn't

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be precluded here. That if you are, in fact, incorporating the CVPIA, that that would continue to be your real goal.

MR. DANIEL: Perhaps I misspoke.

In the CVPIA, as I recollect, there is a section that requires the Department of Interior to study ways and means of restoring San Joaquin River. I don't recall whether or not it focuses specifically on the main stem San Joaquin River or the broader watershed approach or ecosystem approach that we're undertaking.

I don't think there's anything that would preclude some future implementation of the results of that study, which are to go to Congress and Congress will make some decision as to what happens with that study in the future.

Right now, the CALFED program is trying to put together a suite of actions not another study. And at the present time, we're not incorporating the San Joaquin River above the Merced.

COUNCIL MEMBER HILDEBRAND: I share Dick's skepticism about restoring the anadromous fisheries below Friant. But it's entirely possible to raise Friant and increase the yield of the system by at least 150,000 acre feet a year, and that would

do a great deal to restore fisheries not only below Friant, but along the main channel.

I think this business of the stretch of the river below Gravelie Ford being a giant sieve is over-exaggerated. It's sort of like every time you water your garden, you have to refill your hose.

Whenever we have some flood releases out on Friant, after about the first day they come right on through down to my place to soak up there immeasurably. After all the original -- before we had these dams, 30 percent of the flow came from Friant.

So it's not that difficult if you're talking about any significant amount of water. And the recharge of the ground water in there that you do achieve to the extent you lose water is very important. Ed Petry can tell you about what happens to his area because of that ground water being depleted and then you have the flow subsurface from west to east that brings all kinds of bad stuff into his area.

So I think it is entirely doable. And it's an important thing to do in a yield that would have far more multiple benefit than an equivalent yield north of the Delta or west of the river. It's

a very valuable source of water.

COUNCIL MEMBER PARRAVANO: Thank you. This is first time that I hear carrying capacity as being used as a standard for claiming victory for bringing back anadromous fish populations. I hope that this is not the Dick Daniel's version of fish restoration plans. Instead, I would support that we would claim victory for restoring anadromous fish populations when we adhere to the CVPIA mandates.

MR. DANIEL: Let me add to my comments, Pietro.

We are focusing on a natural system. We are focusing on recovery of the potential productivity of the system as it is today. We are not proposing to close down the fish hatcheries that are there to augment productivity to try and compensate for those stretches of the river that have been irretrievably lost as a result of damns.

We are going to try to do everything we possibly can to optimize the natural production of fish, and that will be continued to be supplemented by hatchery reproduction to the extent it doesn't preclude natural production on into the future to support the demand for fish, both for sport fishing and for commercial fishing.

And what I'm trying to say is that the reality may well be that we cannot naturally double the population of salmon or other anadromous fish in some of our river systems simply because there isn't enough room left. And to go out and say that's your objective is popular, but I don't think it's scientifically based.

COUNCIL MEMBER STRELOW: Dick, as I understand it, the types of ecosystem and habitat restoration that need to be done and we've talked a lot about for currently endangered or threatened species in a legal sense, tend to be generally the same kinds of action that one could take to prevent other species that haven't reach that perilous state from becoming threatened or endangered.

Sometimes there could be differences and the efficiency of being able to act in advance on a preventative basis compared to trying to recover what is almost lost is probably often much greater.

Are there any respects to your knowledge in which additional or different actions would have to be taken on this preventative basis, looking ahead to future species that might get in trouble? And if so, are your planning efforts focusing on those as intensively as for the currently-endangered species?

MR. DANIEL: Yes, they are. An example: Last year in February, we provided CALFED, Bay-Delta Program provided a guidance document to the Category 3 Steering Committee, guidance on where we thought it would be prudent to invest the funds that they had. The focus of that guidance document was on spring-run chinook salmon, a race of salmon that is not listed as threatened or endangered, but which is in jeopardy in our opinion. Not listed yet.

What we asked them to do was to take as much preemptive action as possible to try and facilitate recovery of that race of fish to obviate the need to list it, or at least accelerate the rate of recovery if it were listed.

There are specific examples.

COUNCIL MEMBER STRELOW: Good. Thanks.

COUNCIL MEMBER SELKIRK: Mike, do we need to make room for public comment at the end? I know it's twenty-five after 2:00.

Hap, why don't you go and you'll be the last BDAC person to speak, and then Roger. Then we need to open it for public comment.

COUNCIL MEMBER DUNNING: I just want to come back to this matter about doubling, Dick, and see if I understand. It seems to me that if doubling

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is an objective in the federal law, and I think it is in the state law, too, that CALFED should be working with that. If at the end of a long scientific process you come to the conclusion that it just can't be done for various reasons, say it then.

What I think I'm hearing is you saying at the beginning going into this, you sort of decided doubling is not the thing to do and there ought to be some other approach. And I'm just wondering what gives CALFED staff the warrant to go off this way?

MR. DANIEL: The point I'm trying to get across is that with virtually all ecosystem restoration programs, it's appropriate to establish foundation. And in our case, the foundation that we're trying to promote is the notion that if you can reverse the decline and commence the recovery, you're on the right track and you're progressing towards the goal and the mission of a healthy ecosystem.

To set an artificial target that is not based on science in the beginning will damage your foundation and can drive you in directions that are inappropriate in terms of restoration of ecosystem health because you're focusing in this case of the CVPIA, on one segment of the population of species that are dependent on the Bay-Delta system. And

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there is always the risk that you could foreclose on options to deal with other parts of the system, other species, other habitat types, other ecological functions, because you're driven by this goal to reach a certain number of fish.

If it's the desire of BDAC to say, "Our goal is doubling," fine. I don't think it means anything in the context of a healthy ecosystem. I think we can do better on some of our rivers than double.

DIRECTOR SNOW: Can I make a comment, please? Hello.

I think there's two different kinds of information exchange here and it's getting confusing. I want to clarify it. What I mean by two different kinds of information exchange, I think some of the questions have been very practical about how we're integrating another program and some of our responses have been kind of philosophical on how you approach an ecosystem issue.

The fact of the matter is that the doubling goal is the law of the United States of America. Congress passed the law. It's out there.

We've taken a different philosophical approach to this broader ecosystem base.

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Our purpose is not just anadromous fish. It's a broader ecosystem.

So as we have set out our objectives, there is the doubling goal that's out there. The fact of the matter is the action that you would take to pursue the doubling goal, ends up being basically the same actions you'll take to have a healthy ecosystem.

So there is almost complete capability in terms of the integration of the kinds of actions. I wants to make that real clear, that we're not making a determination that Congress made a mistake and we're going to do it better. We're finding a way to integrate the actions that Congress has taken and that there's complete compatibility between those actions and the broader ecosystem base approach that we have taken.

CHAIRMAN MADIGAN: The general theory that the Congress is not always right, but they are always the Congress.

COUNCIL MEMBER PATTERSON: I was just going to add that I think it will be helpful when the Department of Interior, the Fish and Wildlife Service puts out there anadromous fish restoration program, which is sometimes called the doubling program. That

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should be sometime after the first of the year, probably February.

I think what Lester said is right. It will be, I think, compatible with -- and there's been a lot of information exchange between Interior's team working on that and the CALFED staff. And the focus of it is reasonable efforts to ensure that the anadromous fish population is double before, so it's reasonable efforts, a lot of the same measures in, and it will probably be good when that's available around February to have some analysis of how that does, in fact, fit with the goals what we have here. Interior is focused on that, committed to that, and is moving ahead with that.

COUNCIL MEMBER SELKIRK: Okay. Thank you.

We have one speaker card. Gary Bobker.

MR. BOBKER: Thanks, Mary.

A couple of things. It's really telling that much of this conversation about the CALFED effort to set targets is really hinged on objectives and goals and objectives rather than targets. I want to talk a little about the relationship between the two and not to do it in a procedural sense in terms of type definitions of what all these terms mean, but

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where we're trying to go with that.

Let me give one minute maybe of background of how I see we got here.

In Phase 1, CALFED devoted a lot of effort to doing two things in terms of coming up with an ecosystem restoration element. One was setting, I guess what you could call goals or objectives. What kind of ecosystem is it that we want, what kind of functions we want to see, what kind of diversity of species, habitat, abundance, et cetera.

Then the other things were, I guess, being implementation objectives, strategies, tools, what the measures, what will we do, restore habitat here, improve fish habitat there, in order to achieve those objectives.

Now that we're moving into refining those components, what CALFED staff is doing is attempting to set targets which are very quantitative measures to achieve the objectives. What we're running into, a little difficulty is, is what are the objectives?

We looked at the targets. We're very excited that we're at this point of looking at discreet, very specific quantitative measures.

We have some issues in the environmental

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community about whether the targets are adequate, which I don't want to get into now.

The only way you will settle the issue whether targets are adequate or not is to try to figure out what they are trying to achieve what the level of success is.

What CALFED has done thus far is looked at goals and objectives in a very qualitative way, say here is a very general narrative description of what we want to see out of the ecosystem and CALFED has identified, some indicators, some measures, in other words, to say here's how we will measure how we're achieving those objectives. But what CALFED hasn't done is articulated very well what success is.

In other words, where are the thresholds? Whether they are one line or a range, et cetera, when do we know when we're getting to where we want to be? It's important to do that because, number one, it's going to really determine what your targets are because your target right now is your best statement of what it is going to take you to achieve your objective.

So one of the things I think is most important for both the technical work groups that are working on the ecosystem restoration and for the BDAC

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group to do is to start to examine that issue of performance levels, levels of success. How do we know roughly where we want to be. How do we know when we get there? Not the mechanics of how we get there, but what's the level of success, and that's going to immeasurably help in determining what the targets should be and how the targets should be revised over time.

Secondly, I also want to touch on another issue and that's this whole flow issue. I was a little confused by the discussion, we had a flow earlier in that, Mary, when you were summarizing some of the issues that came out of the targets workshop the other day, you mentioned, "Do we need flow targets?"

It seems apparent to me that from the scoping phase and from the targets I think that are being considered by CALFED, that flow is considered to be integral to a successful ecosystem restoration program in order to maintain habitat quality, provide transport functions, get benefits from -- physical benefits to the system from variability, et cetera.

I don't know really think I have heard almost any interested party or stakeholder question that flow benefits are essential to ecosystem

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restoration, therefore, we should be setting targets for them.

COUNCIL MEMBER SELKIRK: I didn't mean to imply that.

MR. BOBKER: I just wanted to make sure because it's clear I think that what the program should be doing as for the other targets is setting what they believe are the flow targets that we need to do, and then obviously we start to get into the issue of what are the different tools available to us in order to try and achieve those flow targets, and we'll start looking at the various components like storage or acquisition of water and see how well they get us toward that, rather than, I think, starting from the other end, which is, what can we do with a storage component? How much water will that free up? And that's going to set our flow target. I don't think that's quite the right way to approach it.

I think that's about it for now. Thanks.

CHAIRMAN MADIGAN: Thank you very much, Mary. That's a lot of the hard work you guys have done. It gives us all hope that there's light at the end of the tunnel.

COUNCIL MEMBER SELKIRK: Anyone that

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wants to come to another meeting next Tuesday morning is the restoration work group Sacramento 9:00 to noon, Room 1412 at the Resources Building.

CHAIRMAN MADIGAN: Okay. Goods. Thank you very much for that. Secretary Garamendi has arrived. But begging his indulgence for a second, what I would like to do is have Lester summarize the 204 implications on CALFED, which I would hope, Mr. Secretary, might be of interest.

Thank you.

DIRECTOR SNOW: I want to start here back with another golden oldie from the past in terms of our revenue diversification, the concepts we've talked about in the past where we have recognized that the six components all function differently, have different rational, different benefits. Clearly some were public, some were specific users in recognizing there's kind of a mix in funding options to implement the whole program.

Early on it seemed like a lot of stakeholders, a lot of people came to the conclusion that if there's one component that clearly provides a lot of broad public benefits, it was ecosystem and there's a need to get started on it.

That really led to the discussions on

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Prop 204. And in your package you have a summary, a one-page summary of Prop 204, as well as excerpts from portions of the actual language that pertained to CALFED. There's three sections that include CALFED language.

Conceptually what happened here, two particular funds come together, 60 million for Category 3, 390 million for implementation of the Ecosystem Restoration Program that we were just talking about. Totaling $450 million that are directly related to ecosystem restoration activities.

Additionally on October 1st Congress passed, the president signed a bill that provides authorization, three-year authorization for 430 million of federal-matching money for fiscal years '98, '90 and 2000, 430 million total, not each year.

The point of me stressing that is that where we stand here, at least conceptually, we have $880 million in terms of State G. O. bonds and federal appropriations to actually start looking in detail at implementing the ecosystem restoration component. That is a unique opportunity.

Usually you do a lot of planning, a lot of work. You get a plan done and start begging for money. Before we have the plan done, we have

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implementation money to get some things on the ground right now, and perhaps more importantly, to almost conceptually set up an escrow account, that if you do a good job, keep this moving forward, you got the money to start implementation.

That's incredibly significant. I think it's a testament to the stakeholder coalition that came together on Prop 204 and hopefully we can continue to move this forward. Again, you look at this $880 million in the wings to begin implementation of this and it makes our task a little bit easier. It doesn't solve the problems, but I think it gives us a good leg up on dealing with the revenue and financing issues for the program.

CHAIRMAN MADIGAN: Thank you, Lester. Questions?

COUNCIL MEMBER DUNNING: On your overhead there, that's shown as federal appropriations?

DIRECTOR SNOW: Yes.

COUNCIL MEMBER DUNNING: I thought it was authorization for appropriations. They haven't appropriated, have they?

CHAIRMAN MADIGAN: That's an early look at what things will ultimately be. It's a work in

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progress.

DIRECTOR SNOW: Yeah, there's a lot of work to be done. I think the way that Bob Perchisepi of EPA put it was the authorization was the shoe box now you actually have to work through the appropriations process to get shoes put in the shoe box.

COUNCIL MEMBER DUNNING: To say 800 880 million available isn't really right, is it?

DIRECTOR SNOW: How many times have we gotten an authorization through to provide that kind of money for ecosystem restoration? So I don't want to minimize the significance of the stakeholder coalition and the number of the California congressional delegation that came together to move that through. Does that mean the money is in the bank? Obviously not. But it's still a pretty significant event that took place.

CHAIRMAN MADIGAN: Lester's view is the glass is half full.

DIRECTOR SNOW: That's correct.

CHAIRMAN MADIGAN: Thank you, Lester.

Mr. Secretary, it's an honor for us to have the pleasure of your company today. Thank you very much for joining us.

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SECRETARY GARAMENDI: The honor is mine. Thank you very much for giving me the time. I'm very hesitant to come to this microphone given the last exchange about "Where is the money?" But I do agree with Lester, and I want it congratulate all that are in this room and the collision that was put together for Proposition 204. It was a remarkable event. I see young and older, but all experienced water voyeurs in the room and they weren't fighting each other.

My God, what's gone on in California since I left? No more wars? It really was a terrific effort by all who are involved in these issues that were successful in passing a very large bond act that does provide very real money.

There are thresholds, there steps that must be taken to make that money available. And the challenge for all of us is to accomplish those thresholds so that the money will flow so that the projects will take place.

The fact that the first use of the money is for ecosystem restoration ought to cheer the minds and warm the hearts of any environmentalist in this state as well as any water user in the state because the restoration of the environment is also the

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improvement of water quality. And so it is very, very important.

The federal government has been involved in carrying out the goals of the proposition as well as the goals of the Bay-Delta for some time now. And this is accomplished through a variety of programs, perhaps the most significant of which is the Central Valley Project, The Improvement Act, and the elements of it that have been underway for three, four years now.

The restoration was being discussed as I walked in and I didn't have a chance to hear all of that discussion. But the restoration apportions of that act are now underway and progress has been made.

The issues of the future and the projects of the future are going to be determined in a very new way and a very important way, one of consensus, one of which all of the stakeholders will be participating together with our staff, with Roger and his crew in determining the prioritization for the projects. That actually gives us a model. In fact, I think the model came together at the same time that Lester's model did for the selection of projects under the CALFED program or the Bay-Delta program.

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And so we know now how we're going to go about choosing the projects. We have a large sum of money made available by the state. We have a smaller sum, but one that is also in place from the CVPIA program, and the question on all of our minds is how are we going to fill the shoe box and when will the shoes be put in it? Well, it seems as though people still want a balanced budget.

That's an issue. We cannot ignore that issue and to do so would be foolish. At the same time we ought to be very cognizant of the appropriation prerogatives of Congress. I understand from listening to others, but not from my own lengthy experience in Washington that Congress just doesn't appropriate money for projects without knowing what it's going to be spent on. They seem to want to know that information. And particularly they want to know in whose district is it going to be spent. So we need to be cognizant of that.

And, therefore, it is extremely important that the work that Lester and the CALFED organization is doing in developing specific projects, I think you may have discussed earlier today your array of projects. Have you done at that yet, Lester?

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DIRECTOR SNOW: Only broadly, this morning.

SECRETARY GARAMENDI: Okay. I'll expand perhaps a little on that. And that Lester and the CALFED group have been putting together a list of projects by category, ecosystem restoration, habitat, water quality, conveyance and the like, those categories are in the process of being further developed so as to develop specific programs, projects.

That is really the key to unlocking the federal money. I think without that kind of programmatic development, we will not see an easy flow of federal money. I am convinced that Congress simply will not appropriate it until they know where it's going to be spent.

So it is incumbent upon all of us to work diligently to come to an agreement on these projects and to prioritize and to get them pushed forward. As that happens, I am equally convinced that we will see money flow.

I will categorically that the Clinton Administration is committed to carry out and in as timely a way as possible and consistent with the appropriative process, the legislation that he signed

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on October 1st.

Now, whether it is done in three years really depends upon two things: The balancing of the budget issues in Congress, and the ability of all of us to put the projects forward. So the two things have to be done together.

So all of us are going to have to work on that. I know Roger and his crew and the CVPIA issues are being pushed forward so they, too, will be available.

As to how we rank in the tug-of-war over funds, California congressional delegation, I think all but one person supported the authorization. I don't know that that ever happened before.

COUNCIL MEMBER NOTTHOFF: All but two.

SECRETARY GARAMENDI: Two? Isn't one of the two gone?

In any case, even with two short, it's a remarkable, remarkable outcome, and speaks to the potential power that this delegation has to prioritize the federal funds, as short as they may be, to the benefit of California.

Now, to carry this out and to carry it just one step further, we are now in the process of formulating the president's budget. I know many

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people are curious as to what he will propose.

It's not yet clear. I will tell you that it will not be easy. I will tell you that yesterday we received notification that the Department of Interior's budget is supposed to be going down by 5 percent. I don't ever hope for a moment that will actually happen, but that's the kind of discussion that's underway now.

So the new money, and this would be new money, would be on top of that and so we will have to allocate and to scramble to find it, and we will see if we can. I know we will not be able to get it through Congress without the specific projects.

Now, one more thing. We need to be very creative in finding the money. And that means reaching out to projects and programs that we might not have otherwise thought about, such as the Farm Bill. The Farm Bill you say? Why would we look to the Farm Bill? Well, because they have an annual off-budget appropriation of two-and-a-half billion dollars for projects, some of which are similar to those that are on Lester's list. We don't need all two-and-a-half billion, but maybe we can just get California's share of it, which we have never had before. These are the CRP and WRP program, the old

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land set programs that have been reconstituted in doing more environmental program for habitat conservation. So we need it look at that.

We also need to look at the Clean Drinking Water Program, which has a very large increase. This would be a role for the state and federal government to work together on. The allocation of that money would fit into some of the categories that are in Lester's program.

So we have opportunities that we might not have imagined. We need to be creative. We need to see if those fit in the programs. If they do, they will help to fill the shoe box. Direct appropriations will also help and I am convinced even at this early stage that we will see a very strong commitment from the Clinton Administration, from the president in his budget to fulfill the obligations that are in the authorizing legislation.

CHAIRMAN MADIGAN: Thank you, Mr. Secretary. I will take the prerogative of the Chair in asking a question, and certainly others, if you are willing --

SECRETARY GARAMENDI: Certainly.

CHAIRMAN MADIGAN: -- would like to ask questions as well.

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In following on exactly that point, we're at a point in this process now where there are projects that are moving their way through. They haven't been in some instances fully flushed out, they haven't gone through our own processes here in California and through various organizations and public reviews yet. But if we could work with you and your office on some sort of a concurrent level of processing so that the president in his budget buys in at a certain level of commitment as we find various levels of commitment for those projects, then at least at the end of our process, it would be roughly coincident with the end of yours and we would save as much time as possible in terms of getting those things underway.

SECRETARY GARAMENDI: That is an excellent proposal. In fact, that is happening as we speak. Within the Department of Interior, we've organized ourselves so that we are constantly working with Lester and his people as they develop their ideas as those move forward. We are pushing, he's pushing us, we're pushing him on certain things so we are coordinated.

We have a very real timing issue that's right before us now. The president's budget is in

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its final -- well, not final, next-to-final step, which is what they call pass-back. We're getting back next week the Office of Management and Budgets' numbers, which I've told you we are likely to see them 5 percent lower overall, not necessarily for this project for these programs, but just overall for the department.

That's going to cause us to respond. We'll have to rework our numbers. Those go back in several days. So through the month of December, the final president's proposal will be put together.

So we have a bit of a timing problem here, but there are certain categories that have moved forward, certain projects have moved forward, and those are much more easily addressed.

There are some broader things. I know the president wants very much to allocate and to prioritize this project. We just have to work together diligently over the next three or four weeks to make that as real as possible.

That's just the first step in Congress. As all of us know, we have some major -- what's the word I'm looking for -- we have some major challenges in Congress which I partially described.

Again, the more solid the information,

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the more solid the programs, the better the opportunity. The more we are working as a California team, all of us together, including those who went with us in the appropriations process, excuse me, the authorization process. That is very, very important to us.

CHAIRMAN MADIGAN: Thank you.

Questions by members of the Council. Mary?

COUNCIL MEMBER SELKIRK: Well, I would like to hear some more detail about how the CALFED program is in a position to really make substantive recommendations about programs, since we are really just in the early stages of the whole EIR process. Could you fill us in a little bit on that?

DIRECTOR SNOW: Actually, you may recall back, the Workshop 3 packet or something like that where we had all those lists of actions. We have those. So when we talk about -- when Dick talks about title wetlands creation, behind that are all those specific actions that we still have to bring forward. And so when we look at a process like this, and we know that we need to create title wetlands, then we can kind of bring up, here the kinds of projects that could be funded to provide the title

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wetlands in the system.

Another good example Dick mentioned today and was also part of the workshop, one of the direct mortality issues is screening certain intakes. While we can bring forward the kinds of screening issues that there are out there and those can kind of move forward in the process. So there's certain land acquisition activities, certain habitat creation activities, there's a variety of projects that you can go ahead to try to fund because they are on every list that you look at.

COUNCIL MEMBER SELKIRK: So can they be funded, put in escrow or something until the completion of the EIR?

DIRECTOR SNOW: Well, keep in mind that the money that we're talking about is for FY 98, October of 1997. So what that means is that if it can be put in the budget, then our ecosystem round table process will be completed by then, set up the priorities and so everything is ready to move forward.

CHAIRMAN MADIGAN: The effort is simply one of not losing the year if we don't have to lose the year, that's all.

Stu?

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COUNCIL MEMBER PYLE: Hello, John. I haven't seen you in a time.

SECRETARY GARAMENDI: Good to see you, Stuart.

COUNCIL MEMBER PYLE: Lester, does somebody, maybe you or Roger have a count of the specific projects that you're talking about that would come up at FY 98? Do you know how much money you're really looking for?

DIRECTOR SNOW: You know, the short answer is yes, we have a method. You recall when we came out with the Phase 1 report, we gave estimated ranges of cost. Those all accumulated up from rough estimates on all those actions that I referred to earlier.

So when we show in the report a range of say 4 million for Alternative 1 to 8 million on Alternative 3, those are a billion -- yes, I forgot three zeros there. Sorry, guys. Those are all accumulations of those actions. So you can make certain assumptions about how quickly the money can be made available and how quickly you can permit an ecosystem restoration program and turn that into rough estimates for fiscal years, and we have attempted to do that.

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CHAIRMAN MADIGAN: Tom, then Bob, and then Alex.

COUNCIL MEMBER GRAFF: Hello, Mr. Deputy Secretary. You mentioned the Department of Agriculture's farm belt as a potential place to find some money.

There's been -- sort of a two-part question. One, which I think the answer I hope is obvious, and that is: Does it make sense for all of us to get in touch with particularly under Secretary Rominger and others in that department who might be helpful in this regard?

And secondly and related is some controversy among the environmental community on this, but another agency that has not been active really in CALFED to date that could have a big role in all this is the Corps of Engineers. And so I wonder what your views are involving them?

SECRETARY GARAMENDI: The first issue really has to do with all of us in unison working for a common goal. In this case, CRP, talking Rominger and the Department of Agriculture are deeply involved. We have been working with them on how the new farm bill needs to be implemented on the regulations for this particular activity.

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The CRP, WRP, WIP and there's two other new programs. It looks as though it's going to be beneficial to us. Certainly we should continue to work in a cooperative way. The Agricultural Department has been very cooperative.

The role of the Conservation Resource District or Resource Conservation District is going to be much larger and much more important in the future. So they, too, need to be brought into the process, particularly as you move into the upper stretches of these river systems, as you start talking about, once you move a little bit out of the Delta, you'll find their role be much more important.

I should have mentioned the Corps of Engineers. Clearly the Corps -- I think when everything else is gone, the Army is going to be there. And so the Corps is very, very, very important to us. Certainly in the Delta they played a major role.

There are levee elements in all of these. How those levee elements are built, when you talk about conveyance systems, at least in the Delta, until you get to the Delta, you're talking about the rivers and levees. It is very, very, very important that we involve the Corps. They have expressed with

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the new general an increased interest in the work that is going on here. We need to cultivate that and bring them in. I believe that they will be participating much more than they have in the past in these kinds of forums and discussions, and ultimately they will be a major player.

You just reminded me of another option that we have. The new WRDA (Water Resources Development Act) legislation has a small little thing in it that's going to be very, very important in the Delta. You talked about island restoration a moment ago, somebody did here. In order to restore the marshes on any of those islands, you need fill material. They are ten, twelve feet below sea level, you would have a lovely lake if you were to breach the levees, but you certainly wouldn't have a mash. Where is the fill material going to come from? We have to buy it someplace, we're talking about an enormous expenditure.

In the WRDA (Water Resources Development Act) Bill this year and the work of the environmental community and the ports in the State of California over the last several years, there's been a successful effort to move towards using fill material for wetlands restoration. It is not always easy and

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some fill material is not appropriate, but in the WRDA (Water Resources Development Act) Bill there is a change in the allocation and the cost ratios and allowing that fill material to be used upland, and the federal government to pay for the difference in cost.

That could provide us with a very, very significant win-win or two-for opportunity in which dredging can take place and the courts and the channels as it does every year, and that material could be used for wetlands restoration, thereby doing two things at once and allowing us to have relatively cheap material.

So all of these things need to be taken into account, and we're working very diligently in Washington trying to figure out how to use the opportunities to the best advantage and to stretch the money that is in, obviously, very short supply.

COUNCIL MEMBER RAAB: Mr. Secretary, I believe you used the words "solid proposal."

SECRETARY GARAMENDI: Yes, sir. That would withstand the scrutiny of some very sharp people who have even sharper pencils in the committees of Congress.

COUNCIL MEMBER RAAB: That's the next

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part of my question. Which was: Who in Washington are the people who will decide? Are they congressmen? And if so, maybe there are a few key names you can put forth.

SECRETARY GARAMENDI: I believe the Republicans chose their committee chairman yesterday or the day before yesterday. So we know their names. I'm not going to give them to you as I can't remember them off the top of my head. I believe the Democrats are doing it today. And they did yesterday. But they have not yet been announced. So they may be announced by now. They are supposed to wrap it up today.

So those names will be known to us in very short order. Obviously we have our work to do. There's two levels of work, there's the lobbying level working Congress advocating, carrying out our constitutional -- I should be very careful of the pronouns I'm using. Your constitutional rights to lobby the government. So have at it.

Second is substantive programs. And the more the substance and the more the completeness of the program, the more likelihood it's going to be funded.

Now, I just want to back up on what

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Lester was saying here. I don't want you to have the impression that nothing has been done because a lot of that detail work has been done. There need to be advanced, priorities need to be set. I know that Roger and the team has been working very diligently on getting much of the detail together. It's a question of presenting it and prioritizing.

COUNCIL MEMBER HILDEBRAND: John, before you get away, I hope to have a quick word with you on our last conversation about the San Joaquin River management, but my subject at the moment --

CHAIRMAN MADIGAN: You mean he has those conversations with you, too?

COUNCIL MEMBER HILDEBRAND: We cross all kinds of people.

Relative to this business --

SECRETARY GARAMENDI: I'm going to go collect the bet.

COUNCIL MEMBER HILDEBRAND: We had a discussion this morning about the need to examine these various components as regards there are cumulative impacts on other interests besides the direct interests of the component. I'm not clear just how we handle that to firm up those components until we can do that. So perhaps either you or

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Lester, somebody can tell me how we can manage to do that to move these things ahead in advance of a complete program.

SECRETARY GARAMENDI: I'll take one small piece and Lester and perhaps Roger can help me on this one. But many of the elements have already been pushed forward. So many of them have already had environmental impact statements or CEQA completed. They await funding.

Lester.

DIRECTOR SNOW: Yeah, I think the key, Alex, to avoid the issue you're concerned about is to make sure that we move forward in this interim period, projects that are not likely to result in that kind of cumulative impact. I mean, an example would be trying to do the kind of screening that you can move forward on quickly in FY 98 and also to look at key pieces, key land acquisition, properties that may be available to try to deal with the reuse of dredge materials.

I think there's ways to do that in this interim period so we don't loose that year of funding. That's really the critical issue is getting the FY 98 match money for the Category 3 activities, we have the Category 3 funding.

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So I really believe that we can do that. While we're still going forward with our program to capture the cumulative impacts of complete implementation.

COUNCIL MEMBER HILDEBRAND: I agree with you on some kinds of components. On others, I'm a little more skeptical.

CHAIRMAN MADIGAN: I think one of Lester's obligations is going to be to keep us informed in the obviously really short time that he and Roger have to move some of this information forward, and then we will review and discuss it here and it will go to Mary's committee as we have time for input. It's clear that we can't wait for those sorts of processes to move some of this forward.

Roger, do you want to add to that.

COUNCIL MEMBER PATTERSON: Yeah, I don't want people to get the idea that this is easy because it's two years from now before this money may be available, and to some degree, we will be describing the kinds of activities that would take place in screening. Category 3, Category 3 is certain kind of activities that we would carry out that there is money available from Prop 204 and we want to get federal money.

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We have to get enough detail so that Congress can understand the kinds of things we would do, yet, we have to keep enough flexibility because by the time we get the money, we're going to know more than we do now, and we have to have some consensus around the projects. That's real challenge. But to wait until we know more, means you miss the 1998 opportunity and we don't want to do that. So it's not easy to figure out what is the right level of funding and what can we support and not say more than we know.

CHAIRMAN MADIGAN: I have Marsha, then Roberta, then Ann.

COUNCIL MEMBER BROCKBANK: This isn't exactly a money question. We've been talking a lot about the role of BDAC and the fact that we're supposed to reach consensus and we will try very hard to reach consensus.

I'm wondering what the decision-making process is going to be for the CALFED members. It's my understanding that you will be making the final decisions. Are you going to try to reach consensus or are you going to vote?

SECRETARY GARAMENDI: There is a zone of reasonableness that we will find.

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CHAIRMAN MADIGAN: Quick. Somebody take that down. I like that.

Roberta.

COUNCIL MEMBER BORGONOVO: Mr. Secretary, my question really goes back to your talking about the importance of the California delegation and consensus from the California delegation, but then you mentioned districts and how important districts are. So from our point of view it would seem that it would be very important what does get funded is still within the priority of what's most important for the whole CALFED restoration process.

So that's really my question, as long as there's consensus, do you think it won't be seen within the California delegation as breaking into districts? Is that part of our job strategically?

SECRETARY GARAMENDI: I don't think I could have said it better than you did, Roberta.

Members of Congress rightfully look to the interest of the people that elected them, as they should. There's a larger interest, and you and I and everyone needs to point that out if it gets down to a tug-of-war, "Well, I want that in my district." Thus far, we have not seen that in this issue. And I don't think we will. I was really referring to the rest of the nation --

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COUNCIL MEMBER BORGONOVO: Okay.

SECRETARY GARAMENDI: -- more so than within California. We have been blessed with very little, "you got yours, I got mine, then we're together." With that, we have not seen much of that with regard to this matter in California.

CHAIRMAN MADIGAN: Ann,

COUNCIL MEMBER NOTTHOFF: I just wondered if you could speak a little bit about the timing, as to when these levels of specificities, projects, when do you need to put those together by for this first cycle anyway. I think that might help a lot us of envision how concrete these things are.

SECRETARY GARAMENDI: Well, we have a timing problem for the administration. And it's that the president's budget will be completed certainly by the end of December, and probably before that. At least the hope is it will be before that. It's going to be very difficult if not impossible to get the kind of detail that would be normal in budgeting. And so Roger pretty well pointed out the dilemma that we're faced with.

So I would just say that the president

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is committed to this project, committed to this program. Let's understand, this is the biggest ecosystem restoration anywhere ever attempted. People like to talk about Florida and all going on in the Everglades. Great work. Minor compared to this, the size of this program.

So the commitment is there. Now, how do we budget for it and how do we seek the appropriations? We are wrestling with it. We want to do as much as we can do given the level of information available. And there are competing programs out there. So we need to be very solid with our information. A lot has been done.

The issue is also not just a one-year thing. And here's where I think we're going to have a real serious problem with Congress, they don't like escrow accounts. The words have been used, but the reality is they don't like escrow accounts. They don't want to appropriate into an account for which they are not sure of the purpose. If it's a true escrow account, I guess you know the purpose, right? The level of uncertainty will have a serious impact on Congress.

CHAIRMAN MADIGAN: Tom.

COUNCIL MEMBER GRAFF: We're fortunate

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to have Mike Mantell here representing Doug Wheeler and others in the state government because really the numbers, the 430 million that appeared in the federal bill, 143 million times three, as I understand it, were derived particularly by the state government going to members of their party and the Congress and presenting that as the right number, which we then all embraced happily and ran with. So maybe a joint effort with the state government sort of defining these projects would be most helpful politically and otherwise.

SECRETARY GARAMENDI: It's CALFED. That's the only way this is going to work, and it will be that way.

MR. MANTELL: Those numbers were developed by CALFED. We took numbers that were put together by Lester and his team and with our federal counter parts okaying them and went to Congress with them.

I would hope that the fact that the state through Prop 204 is ponying up this money, of its own will have additional weight in terms of the congressional deliberations. It's not every day that Congress can have state money or other non-federal funds out there to buy into and to maximize

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opportunities with. But you can be assured that from the governor on down, that the state will be very involved in the congressional in helping to win actual appropriations of these authorized dollars.

CHAIRMAN MADIGAN: Okay. Mr. Secretary, thank you very much for taking the time to join us today. Please convey as you have a chance to Secretary Babbit our continued appreciation for his support of CALFED, Bay-Delta process.

SECRETARY GARAMENDI: Can I have the last word?

CHAIRMAN MADIGAN: You have it.

SECRETARY GARAMENDI: I want to thank all of you for your hard work, all of you, for both parts of this operation here.

Lester, it's a pleasure working with you and all the rest.

CHAIRMAN MADIGAN: Thank you very much.

We're going to take a brief recess here and come back in ten minutes.

(Break.)

CHAIRMAN MADIGAN: All right. The next item on the agenda now that we're back in session is an update on our Public Outreach Program.

Mary? There she is.

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MS. KELLEY: Thank you. As you may be aware, you have a document in your packet that describes recent progress in Public Outreach. So I'm not going to go into too much detail, in fact, any detail about that.

What I would like to talk to you briefly about is we sent a questionnaire, a response form to each of the BDAC members about a week ago, and we have already received some back and they have been very helpful. I would like to just mention to you some of the things that we have heard as well as encourage you if you haven't sent yours in to please do so. Again, handwriting is fine, very casual, but we would like to hear from you.

We asked about four questions on that response form, and the first one was what audiences need more attention from CALFED. And I'll list some of the ones that were mentioned by the people who sent back their forms.

Farmers, industries, ranchers cities in eastern Contra Costa County, farmland owners specifically in the Delta, reclamation districts, water districts and folks in the Mendota/Firebaugh area.

Again, this is an informal questionnaire

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response form from all of the BDAC members. So some people respond in great detail and some people in generalities. So you won't find the answers are completely parallel, but they are very interesting and helpful nonetheless.

The second question was: "Will constituencies participate in public meetings? Will your specific constituency participate?" Most of the respondent's who have answered said yes, they would, but that public meetings often aren't that exciting or attractive to people until they feel truly engaged in the process. Sometimes that happens when they feel that they are on the verge of losing something or begin to feel that they are being ignored, and that is an inspiration to attend to public meeting.

There were a number of responses that said the people we're trying to reach are very busy, which is something that we are very well aware of and is an excellent point, and we were encouraged to hold meetings in the evening.

Another person liked the idea of having radio call-in shows even in Spanish as being an another way to reach people and perhaps a more convenient way for our audiences.

In general, there was fair support for

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the public meeting concept and a number of people requested public meetings in specific areas, which two was very helpful.

We were also encouraged to have public meetings in the winter during times when farmers are less busy and of course in the evenings when people are not working.

Our final question was: "What else do you want to tell us about Public Outreach?" And so far not a lot of people have answered. Those who have, have been helpful. One person said that our audiences are wondering how input will be used. And they want to be assured that when they come to a public meeting, we listen, we record and we do something with their input. And that feeling perhaps comes especially strongly from folks who may not feel that they are traditional participants in discussions about water in California. They may not feel that their input is perhaps as polished or professional maybe as people who have been doing this for years and years, but they need to be is assured that they, too, are listened to and their input is very carefully considered.

Again, I would like to encourage you over the next couple of weeks if you have a few

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moments to sit down and fill that out and fax it back. It will be very helpful to us. It's the kind of input, like all input we receive that we will consider very carefully and act upon as we plan our Public Outreach activities for the next year or so.

Did you have any questions about Public Outreach?

CHAIRMAN MADIGAN: Marsha.

COUNCIL MEMBER BROCKBANK: Do we have A multi-cultural outreach strategy? What are we doing in that?

MS. KELLEY: We do. It's an element of out Public Outreach plan. It's perhaps not the most developed element and probably could be much more developed. It is in our Public Outreach Plan. We currently are outreaching whenever we send a news release or any kind of contact with the media to non-English papers up and down the state. So at least we are doing something in that area and looking to do more.

Anything else?

CHAIRMAN MADIGAN: Did you want to follow-up on that?

COUNCIL MEMBER BROCKBANK: I think actually what I'll do is talk with you later about

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that.

MS. KELLEY: That would be great.

CHAIRMAN MADIGAN: Yes, Stu.

COUNCIL MEMBER PYLE: I think somebody earlier this morning gave a web address for that.

MS. KELLEY: Yes.

COUNCIL MEMBER PYLE: Do you have included in that a way to take comments by E-mail or --

MS. KELLEY: Actually, yes, we do. I think it's actually my E-mail address that folks respond to. And I say that because I'm somewhat familiar with the website and I have been getting some comments from website observers coming to my E-mail. So people are using that and we are trying to work that information into our Public Outreach material more so that people know it's available.

COUNCIL MEMBER SELKIRK: Mary, what is that address?

MS. KELLEY: Good question. Let's see if I can remember it. It's also probably on some of our outreach material back outside. I think it's HTTP://calfed, all lower case, dot, ca, lower case dot gob, all lower case.

And, again, it's also on our outreach

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material.

CHAIRMAN MADIGAN: All right. Anybody else? Lester?

DIRECTOR SNOW: Yeah, I wanted to take a moment to kind of acknowledge Mary and the work that she has done. She has responded to a better opportunity to move on professionally. So this will be her last Bay-Delta Advisory Council meeting. I think it's because of the hassles of these meetings that she's moving on. No, that's not so. We will miss her efforts and maybe you could join me in wishing her farewell.

MS. KELLEY: It's been a real pleasure working with CALFED and I wish you all the luck. I did promise Lester that as I go out and raise money for my next employer, I will be a development director, I will also be selling the preferred alternative.

DIRECTOR SNOW: Raise a little for us.

CHAIRMAN MADIGAN: Best of luck to you. Thank you for all you've done for us.

Summary of BDAC deliberations on water use efficiency, water transfers and program durability. Mr. Snow.

COUNCIL MEMBER REDMOND: I didn't see on

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the list of meetings when the next ecosystem round table meetings was going to be.

DIRECTOR SNOW: Friday, did he say 13th.

COUNCIL MEMBER REDMOND: The same day as the BDAC assurance. That's not on the list. Thank you.

CHAIRMAN MADIGAN: Thanks, Judith.

Okay. All right. Lester, you are up.

DIRECTOR SNOW: Yes. There's a memorandum in the packet that came out with the original packet. I guess the bottom line is I would be glad to respond to any questions.

What we tried to do is summarize discussions from the previous meeting. We'll try to do more of this and probably do it in increasing detail with future agendas to indicate some of the basic discussion and how we are moving forward on a particular issue.

As was already discussed this morning, some of these issues while we're moving forward in a particular fashion, the discussion, perhaps, is not closed off and will come up again as we move forward and fine-tune the program. But I would gladly try to respond to any questions that you have on the three items that we've chronicled in there.

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CHAIRMAN MADIGAN: Questions?

Okay. You want to talk to us about January and the work groups?

DIRECTOR SNOW: We have a schedule in here of the different work group activities. And actually it includes on the back side the public meetings. As you can see, there are a few meetings going on between now and July. I would ask any of the program managers or the work group chairs if they want to make a particular pitch on an issue of an upcoming work group, the next work group coming up is actually Mary's next Tuesday, I believe.

CHAIRMAN MADIGAN: Mary.

COUNCIL MEMBER SELKIRK: Sorry?

CHAIRMAN MADIGAN: Anything you want to add in terms of your own schedule?

COUNCIL MEMBER SELKIRK: We have -- I think we actually scheduled a January meeting, but please forgive me, I don't know when it is.

COUNCIL MEMBER REDMOND: January 28th

COUNCIL MEMBER SELKIRK: I didn't think we had scheduled one yet.

CHAIRMAN MADIGAN: Eric?

COUNCIL MEMBER HASSELTINE: Finance work group meeting at the Santa Clara Water District on

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January 16th at 1:30 -- no -- 10:00 o'clock. 10:00 a.m., and will be discussing still cost allocation models among others things.

CHAIRMAN MADIGAN: Mary.

COUNCIL MEMBER SELKIRK: I believe there's an additional round table meeting scheduled for the 13th of January, as well, which is a Monday.

CHAIRMAN MADIGAN: Judith?

COUNCIL MEMBER REDMOND: Our meeting is on December 2nd at 1:30 in Sacramento in the Resources Building.

CHAIRMAN MADIGAN: Hap?

COUNCIL MEMBER DUNNING: Yes. We have two more assurance work group meetings scheduled December 13th and January 14th. Staff paper has been revised to move away somewhat from the programmatic orientation it had previously, more toward a stakeholder or interest group orientation. We've had good attendance and encourage those that haven't stopped in to come in and participate.

CHAIRMAN MADIGAN: Thank you. Program managers? Dick?

MR. DANIEL: Yes, I would like to emphasize on your public involvement calendar there are several meetings characterized as CALFED

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technical meetings. Those are technical meetings where we are continuing to seek input on the establishment of implementation objectives and targets. The first one of those will be in Sacramento at the Convention Center on the day before Thanksgiving. that's where we will be talking about targets for the main stem Sacramento River and its major tributaries from the Feather River on down to the Delta.

We're holding those in Sacramento, in Modesto, in the Delta itself at Walnut Grove with an eye towards trying reach out to the technical experts and those who represent stakeholders in addition to agency people, and I would encourage you to send your representatives.

CHAIRMAN MADIGAN: Okay. Steve.

MR. DANIEL: I just wanted to call everybodys' attention to the fact that we will be holding another workshop that is dealing with levees and that will be December 17th in Walnut Grove at the Gene Harvey Community Center

CHAIRMAN MADIGAN: Anything else, Lester?

DIRECTOR SNOW: No.

CHAIRMAN MADIGAN: Roberta.

COUNCIL MEMBER BORGONOVO: Is it possible for the ecosystem round table to give us a summary? There's absolutely no way I'm going to make one more trip to Sacramento, even though it's really interesting to me, but especially when we're going into the federal funding and priorities. The progress that they are making would be very helpful to the rest of us when we come back to these larger BDAC meetings.

CHAIRMAN MADIGAN: Lester.

DIRECTOR SNOW: Yes, we can definitely do that and make sure information for the ecosystem round table is made available to BDAC. So we're getting good crossover.

CHAIRMAN MADIGAN: Stu.

COUNCIL MEMBER PYLE: My question was about the water use efficiency work group. There's a summary of the recent deliberations in the package we have here, but I wondered if there's a later draft of the strategy paper that's coming out on that? Do we have that yet or is it still coming out or if it's still coming out, when will we get that?

DIRECTOR SNOW: We expect that to go out in the mail on Monday.

COUNCIL MEMBER PYLE: So that will be

there before December 2nd?

DIRECTOR SNOW: What we're trying to do is we think that's a discussion that has reached a certain plateau. So we're trying to write basic program elements to try to move on of where the program might go from here. And we expect that to go out on Monday.

CHAIRMAN MADIGAN: All right. This is a last opportunity for public comment for the day. Members of the public are invited to speak to the BDAC. I don't have any speaker cards here.

Is there anybody who wishes to be heard?

All right. Anything else for the good of the order?

Then we are adjourned. Thank you all very much.

(Proceedings concluded at 3:45 p.m.)

STATE OF CALIFORNIA)
) ss.
COUNTY OF KERN)

I, Timothy Scott, a California Certified Shorthand Reporter, holding Certificate No. 8517, do hereby certify that I was present and took down correctly in stenotypy all the proceedings in the foregoing-entitled matter on the 21st day of November, 1996; and I further certify that the annexed and foregoing is a full, true and correct transcript of such proceedings, and a full, true and correct transcript of my stenotype notes thereof.

IN WITNESS WHEREOF, I have hereunto set my hand at my office in Bakersfield, California, this 2nd day of December, 1996.

Timothy Scott,
California CSR No. 8517

E-013843